



PAKISTAN OILFIELDS LIMITED

Ref: POL/FIN-CORP/PSX/19-20/051

April 29, 2020

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

Dear Sir,

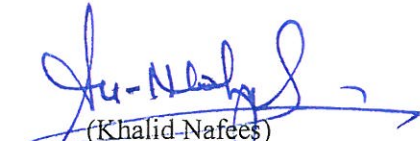
INTERIM REPORT AND ACCOUNTS FOR THE QUARTER ENDED MARCH 31, 2020

We are pleased to enclose 3 copies of Company's Interim Report and Accounts for the quarter ended March 31, 2020 for your perusal and record.

We have also uploaded the accounts for the quarter ended March 31, 2020 on Pakistan Unified Corporate Action Reporting System (PUCARS) and on the website of the Company.

Kind regards,

Yours faithfully,
For PAKISTAN OILFIELDS LIMITED


(Khalid Nafees)
Company Secretary

Cc:

The Director Enforcement
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, 7, Blue Area,
Islamabad.

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



Pakistan Oilfields Limited



Condensed Interim Financial Statements

Nine Months Period Ended
March 31, 2020

VISION

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

MISSION

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

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

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Corporate Information

Directors

Mr. Laith G. Pharaon
Chairman Attock Group of Companies
Alternate Director - **Mr. Shuaib A. Malik**

Mr. Wael G. Pharaon
Alternate Director - **Mr. Babar Bashir Nawaz**

Mr. Sajid Nawaz

Mr. Abdus Sattar

Mr. Tariq Iqbal Khan

Mr. Nihal Cassim

Mr. Shuaib A. Malik
Chairman & Chief Executive

Audit Committee

Mr. Abdus Sattar
Chairman

Mr. Babar Bashir Nawaz
Member

Mr. Nihal Cassim
Member

Mr. Tariq Iqbal Khan
Member

Human Resource and Remuneration (HR &R) Committee

Mr. Babar Bashir Nawaz
Chairman

Mr. Shuaib A. Malik
Member

Mr. Abdus Sattar
Member

Company Secretary / CFO

Mr. Khalid Nafees

Auditors & Tax Advisors

A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Khan & Piracha

Ali Sibtain Fazli & Associates

Registered Office

Pakistan Oilfields Limited
P.O.L. House, Morgah, Rawalpindi.
Telephone: +92 51 5487589-97
Fax: + 92 51 5487598-99
E-mail: polcms@pakoil.com.pk
Website: www.pakoil.com.pk

Shareholder's Enquiries

For enquiries about your shareholding, including information relating to dividends or share certificates, please:
E-mail to: cs@pakoil.com.pk or
Write to: The Company Secretary,
Pakistan Oilfields Limited
P.O.L. House, Morgah, Rawalpindi,
Pakistan.

Share Registrar

CDC Share Registrar Services Limited
CDC House 99-B, Block 'B' S.M.C.H.S, Main
Shahra-e-Faisal, Karachi.
Toll Free: 0800-23275 (CDCPL)
Fax: +92 21 34326040

Quarterly Report

The quarterly report can be downloaded from the Company's website:

www.pakoil.com.pk

printed copies can be obtained by writing to:

The Company Secretary,
Pakistan Oilfields Limited
P.O.L. House, Morgah, Rawalpindi,
Pakistan.





Directors' Report

In the name of ALLAH, The Most Gracious, The Most Merciful

Assalam-u-Alaikum!

The Directors have pleasure in presenting a brief review of the operations and financial results of the Company for the nine months ended March 31, 2020.

Financial results

During the period, the Company has made a profit after tax of Rs.13,947 million (March 31, 2019: Rs. 11,176 million), which is higher by 24.80% as compared to the corresponding period last year. The profit translates into basic and diluted earnings per share of Rs. 49.13 (March 31, 2019: Rs. 39.37). Increase in profit is mainly attributable to two factors one is the lower wells workover activities, amortization of development and decommissioning, exploration costs and taxation while second factor is increase in interest income. Production volumes of crude oil, gas and LPG reduced by 8%, 2.2% and 2.9% respectively in comparison to corresponding period last year. The average prices of crude oil reduced by 13.76%, while gas and LPG prices increased by 15.78% and 0.81% respectively in comparison to corresponding period last year, compensated to some extent by favorable US\$/Rupee parity. During the period the Company made a consolidated profit after tax of Rs. 13,941 million (March 31, 2019: Rs. 11,149 million) which translates into consolidated earnings per share of Rs. 49.06 (March 31, 2019: Rs. 39.24).

Production

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

		Nine months period ended	
		Mar. 31, 2020	Mar. 31, 2019
Crude Oil/Condensate	US Barrels	1,820,984	1,981,020
Gas	Million Cubic Feet	23,644	24,184
LPG	Metric Tonnes	44,602	45,925
Sulphur	Metric Tonnes	340	505
Solvent Oil	US Barrels	15,498	18,118

The Company's share in production, including that from joint ventures, for the period under review averaged 6,622 barrels per day (bpd) of crude, 85.98 million standard cubic feet per day (mmscfd) of gas, 162.2 metric tonnes per day (MTD) of LPG, 1.24 MTD of Sulphur and 56 bpd of solvent oil.

Exploration and development activities

Producing fields

At Balkassar lease (100% owned by POL), Balkassar Deep-1 an exploratory well was spudded on October 14, 2019, due to drilling challenges string struck several times and presently drilling after two side tracks at 8,900 feet is in progress. Target depth of the well is +/- 14,410 feet.



At Pindori lease (operated by POL with 35% share), Drilling of Pindori-10 was commenced on January 28, 2019 and achieved its target depth at 13,701feet. As a result of Drill Stem Test (DST) conducted at the well to test the potential of Lockhart Formation, the well has tested the following hydrocarbons:

CHOKE	Production Parameters	OIL (Barrels per day)	GAS (Million Standard Cubic Feet per day)	WATER (Barrels per day)	WHFP (PSI)
20/64" Fixed	Minimum	655	2.57	220	2,850
	Maximum	1,103	2.98	397	3,068
	Average	832	2.76	330	2,951

The well has been connected to the production line and production at different choke sizes is in progress to determine optimal recovery factor.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has 11% share), Adhi South-3 has been spudded on April 15, 2020 and drilling at 350 feet is in progress.

At Ratana field (operated by Orient Petroleum Inc., where POL has 4.545% share), on the basis of 3D seismic data processing and interpretation, Ratana-5 Well will be drilled to explore un-drained compartment.

Chak Naurang (operated by OGDCL, where POL has 15% share), Chak Naurang South-1 well tested 900 Barrels of oil per day at Well Head Flowing Pressure of 150 PSI at choke size of 32/64". Production from the well is not yet started due to ongoing refinery condition.

Exploration blocks

At Ikhlas Block (operated by POL with 80% share), 3D Seismic acquisition of 213 square kilometers over Langrial prospect is in progress and so far acquisition of 47 square kilometers has been completed. Work was stopped initially because of permitting issues and presently because of COVID-19.

Jhandial-2 well was spudded on December 16, 2019. Drilling down to 16,300 feet is in progress. Target depth of the Well is 18,385 feet.

At DG Khan Block (operated by POL with 70% share), DGK-1, an exploratory well, has been approved. Work on construction of access road and well site has been stopped due to COVID-19.

At Margala Block (operated by MOL where POL has 30% share), 2D Seismic acquisition and data processing of 203 line kilometers has been completed and data interpretation is in progress.

At Tal Block (operated by MOL where POL has pre commerciality share of 25%), 152.93 square kilometers Seismic data acquisition over KOT area was completed and data processing work is in progress. 3D Seismic acquisition of 591 square kilometers has been started to explore multiple leads in Tal West area. So far acquisition of 400 square kilometers has been completed. Mamikhel South-1 an exploratory well has reached its revised target depth. Presently, preparation of testing is in progress.

At Gurgalot Block (operated by OGDCL where POL has 20% share), 320 square kilometers 3D seismic data acquisition has been completed and data processing /interpretation is in progress.



Kirthar South (operated by POL with 85% share), security clearance has been granted by the Government to drill two commitment wells. Environmental study planning is in progress.

Taung Block (operated by Mari Petroleum where POL has 40% share), is a new Petroleum Concession Agreement signed with the Government, situated in Sindh Province.

Impact of COVID-19

In the coming days there are two factors which are affecting Company's business one is the reduction in demand because of COVID-19 and second is the sharp decline in oil prices internationally. The Company has no control over both factors but we have reviewed our Capital/Revenue Budgets and only those spending will be allowed which are most crucial and necessary for the Company's operations. We are hopeful that gradually this situation will improve.

Acknowledgement

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

On behalf of the Board

Shuaib A. Malik
Chairman & Chief Executive

Abdus Sattar
Director

Rawalpindi, Pakistan
April 23, 2020

مل چکی ہے۔ ماحولیاتی مطالعہ کی منصوبہ بندی جاری ہے۔

توہنگ بلاک (زیر انتظام ماڑی پٹرولیم جہاں پی او ایل کا حصہ ۴۰ فی صد ہے) نیا پٹرولیم Concession Agreement حکومت کے ساتھ کیا گیا ہے، یہ علاقہ صوبہ سندھ میں ہے۔

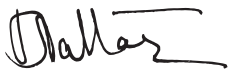
کووڈ-۱۹ کے اثرات:

فی الوقت دو چیزیں کمپنی کے معاملات پر اثر انداز ہو رہی ہیں اوّل کووڈ-۱۹ کی وجہ سے طلب میں کمی اور دوئم تیل کی بین الاقوامی قیمتوں میں کمی ہے۔ کمپنی کا ان دونوں چیزوں پر اختیار نہیں ہے تاہم ہم نے سرمایہ جاتی / مالیاتی تخمینوں کا از سر نو جائزہ لیا ہے۔ اور صرف ان اخراجات کی اجازت دی جائے گی جو کمپنی کے معاملات کے لئے انتہائی ناگزیر اور ضروری ہوں گے۔ ہمیں امید ہے کہ اس صورت حال میں انشاء اللہ جلد بہتری آجائے گی۔

اعتراف:

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

منجانب بورڈ



عبدالستار

ڈائریکٹر



شعیب اے ملک

چئیرمین و چیف ایگزیکٹو

راولپنڈی، پاکستان

۲۳ اپریل ۲۰۲۰ء

چک نورنگ (زیر انتظام اوجی ڈی سی ایل جہاں پی او ایل کا حصہ ۱۵ فی صد ہے) چک نورنگ جنوبی-۱ کی بہاؤ کے دباؤ ۱۵۰ اپی ایس آئی چوک سائز ۶۴/۳۲ پر جانچ کی گئی اور ۹۰۰ بیرلز تیل روزانہ کے حساب سے حاصل ہوا۔ ریفاہی کے حالات کے پیش نظر ابھی اس کنویں سے پیداوار حاصل نہیں کی جا رہی۔

دریافتی قطعات:

إخلاص بلاک (۸۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) لنگڑیال میں ۲۱۳ مربع کلومیٹرز کے علاقے میں 3D ارضیاتی اعداد و شمار پر کام جاری ہے۔ ۴۷ مربع کلومیٹرز کی تکمیل ہو چکی ہے۔ فی الحال کچھ مشکلات اور موجودہ COVID-19 کی وجہ سے کام روک دیا گیا ہے۔

جنڈیال - دوئم کنویں کی کھدائی کا آغاز ۱۶ دسمبر ۲۰۱۹ء کو ہوا تھا ۱۶،۳۰۰ فٹ گہرائی پر کھدائی جاری ہے۔ کنویں کی گہرائی کا ہدف ۱۸،۳۸۵ فٹ ہے۔

ڈی جی خان بلاک (۷۰ فی صد حصص کے ساتھ زیر انتظام پی او ایل) DGK-1 دریافتی کنواں منظور ہو چکا ہے۔ فی الوقت کنویں کی جگہ اور اس تک رسائی کے لئے سڑک کی تعمیر پر کام COVID-19 کی وجہ سے روک دیا گیا ہے۔

مارگلہ بلاک (زیر انتظام مول جہاں پی او ایل کا حصہ ۳۰ فی صد ہے) ۲۰۳ لائن کلومیٹرز کے 2D ارضیاتی اعداد و شمار حاصل کرنے کے لئے گئے ہیں اور ان اعداد و شمار پر عمل جاری ہے۔

تل بلاک (زیر انتظام مول جہاں پی او ایل کا قبل از تجارتی پیداوار حصہ ۲۵ فی صد ہے) KOT کے علاقے کے ۱۵۲.۹۳ مربع کلومیٹرز ارضیاتی اعداد و شمار مکمل کرنے کے لئے گئے ہیں ان اعداد و شمار پر عمل جاری ہے۔ تل کے مغربی علاقے کی متفرق لیڈز دریافت کرنے کے لئے ۵۹۱ مربع کلومیٹرز کے 3D ارضیاتی اعداد و شمار پر کام شروع کیا جا چکا ہے۔ فی الوقت ۴۰۰ مربع کلومیٹرز پر کام مکمل ہو چکا ہے۔

مای خیل جنوبی-۱ دریافتی کنویں کی کھدائی ترمیم شدہ ہدف تک مکمل ہو گئی ہے۔ فی الوقت جانچ کی تیاری ہو رہی ہے۔

گرگلوٹ بلاک (زیر انتظام اوجی ڈی سی ایل جہاں پی او ایل کا حصہ ۲۰ فی صد ہے) ۳۲۰ مربع کلومیٹرز 3D ارضیاتی اعداد و شمار مکمل کرنے کے لئے گئے ہیں اور ان پر عمل / تشریح جاری ہے۔

کر تھر جنوبی (۸۵ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) دو کنویں کھودنے کے لئے حکومت کی طرف سے سیکورٹی کلیئرنس

زیر جائزہ مدت میں کمپنی کی روزانہ پیداوار بشمول مشترکہ منصوبوں کے اوسطاً یوں رہی: خام تیل ۶،۶۲۲ بیرلز، گیس ۸۵.۹۸ ملین سٹینڈرڈ مکعب فٹ، مائع پٹرولیم گیس ۱۶۲.۲ میٹرک ٹن، سلفر ٹن ۱.۲۴ میٹرک ٹن اور سالونٹ آئل ۵۶ بیرلز۔

دریافتی اور ترقیاتی سرگرمیاں:

پیداواری قطعات:

بلکسر (۱۰۰ فی صد پی او ایل کی ملکیت) بلکسر ڈیپ-۱ کے دریافتی کنویں کا آغاز ۱۴، اکتوبر ۲۰۱۹ء کو ہو چکا ہے۔ کھدائی کے مسائل کے باعث تار متعدد بار پھنسی اور دو ضمنی ٹریکس کی کھدائی کے بعد اب ۸،۹۰۰ فٹ پر کھدائی جاری ہے۔ اس کنویں کی گہرائی کا ہدف ۱۴،۴۱۰ فٹ ہے۔

پنڈوری (۳۵ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) پنڈوری-۱۰ کی کھدائی کا آغاز ۲۸، جنوری ۲۰۱۹ء کو ہوا تھا۔ اس کی کھدائی اپنے ہدف ۱۳،۷۰۱ فٹ تک مکمل ہو چکی ہے۔ ڈرل سٹم ٹیسٹ (DST) کے نتیجے میں لوکارٹ (Lockart) فارمیشن کی صلاحیت کی جانچ کی گئی۔ کنویں کے درج ذیل ہائیڈروکاربن کی جانچ کی گئی۔

چوک	پیداواری	تیل (یومیہ بیرلز)	گیس	پانی (یومیہ بیرلز)	ویل ہیڈ پر بہاؤ کا دباؤ (پی ایس آئی)
کم سے کم	۶۵۵	۲-۵۷	۲۲۰	۲،۸۵۰	
۲۰/۶۴	زیادہ سے زیادہ	۱،۱۰۳	۲-۹۸	۳۹۷	۳،۰۶۸
اوسط	۸۳۲	۲،۷۶	۳۳۰	۲،۹۵۱	

کنویں کو پیداواری نظام سے منسلک کر دیا گیا ہے۔ اور مختلف چوک کے سائز پر پیداوار حاصل کی جا رہی ہے تاکہ حقیقی پیداوار کا اندازہ لگایا جاسکے۔

آہدی بلاک (زیر انتظام پی او ایل جہاں پی او ایل کا حصہ ۱۱ فی صد ہے)

آہدی جنوبی-۳: کا آغاز ۱۵، اپریل ۲۰۲۰ء کو ہو چکا ہے اور ۳۵۰ فٹ پر کھدائی جاری ہے۔

رتانہ (زیر انتظام اورینٹ پٹرولیم جہاں پی او ایل کا حصہ ۵۲.۵ فی صد ہے) 3D ارضیاتی اعداد و شمار اور تشریحات کی بنیاد پر رتانہ-۵ کی کھدائی کا آغاز کیا جائے گا تاکہ باقی ماندہ صلاحیتوں کو دریافت کیا جاسکے۔

ڈائریکٹرز رپورٹ

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

ڈائریکٹرز کو ۳۱ مارچ ۲۰۲۰ء کو اختتام پذیر نو ماہی مالیاتی نتائج اور کمپنی کے امور کا خلاصہ پیش کرتے ہوئے فرحت محسوس ہو رہی ہے۔

مالیاتی نتائج:

اس عرصے میں کمپنی نے بعد از ٹیکس ۱۳،۹۴۷ ملین روپے (۳۱ مارچ ۲۰۱۹ء: ۱۱،۷۶۰ ملین روپے) منافع حاصل کیا جو کہ الحمد للہ گذشتہ برس اسی دورانیے کے مقابلے میں ۲۴،۸۰ فی صد زیادہ ہے۔ یہ منافع فی حصص آمدنی ۴۹.۱۳ روپے (۳۱ مارچ ۲۰۱۹ء: ۳۹.۳۷ روپے) کو ظاہر کرتا ہے۔ منافع میں اضافہ کی دو بڑی وجوہات یہ ہیں۔ اضافی کام کی محدود سرگرمیاں، ترقیاتی اخراجات کی فرسودگی (Amortization)، دریافتی اخراجات (Decommissioning) اور ٹیکسیشن میں کمی اور دوسری وجہ سود کی آمدنی میں اضافہ ہے۔ خام تیل، گیس اور مائع پٹرولیم گیس کے پیداواری حجم میں بالترتیب ۸ فی صد، ۲.۲ فی صد اور ۲.۹ فی صد گذشتہ عرصے کی نسبت کمی رہی۔ خام تیل کی قیمتیں اوسطاً ۶.۷۱۳ فی صد کم ہوئیں جبکہ گیس اور مائع پٹرولیم گیس کی قیمتیں گذشتہ برس کے اس دورانیے کی نسبت ۱۵.۷۸ فی صد اور ۰.۸۱ فی صد زائد رہیں۔ لیکن روپے اور ڈالر کے تقابلی نرخ میں کچھ بہتری کی وجہ سے زیادہ اثر نہیں ہوا۔ اس عرصے میں کمپنی نے مجموعی منافع بعد از ٹیکس ۱۳،۹۴۱ ملین روپے (۳۱ مارچ ۲۰۱۹ء: ۱۱،۱۴۹ ملین روپے) حاصل کیا جو فی حصص مجموعی منافع ۴۹.۰۶ روپے (۳۱ مارچ ۲۰۱۹ء: ۳۹.۲۴ روپے) کو ظاہر کرتا ہے۔

پیداوار:

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

نو ماہی مدت کا اختتام

۳۱ مارچ ۲۰۱۹ء	۳۱ مارچ ۲۰۲۰ء		
۱،۹۸۱،۰۲۰	۱،۸۲۰،۹۸۴	(یو ایس بیرل)	خام تیل / Condensate
۲۴،۱۸۴	۲۳،۶۴۴	(ملین کیوبک فٹ)	گیس
۴۵،۹۲۵	۴۴،۶۰۲	(میٹرک ٹن)	مائع پٹرولیم گیس LPG
۵۰۵	۳۴۰	(میٹرک ٹن)	سلفر
۱۸،۱۱۸	۱۵،۴۹۸	(یو ایس بیرل)	سالونٹ آئل

Condensed Interim Statement of Financial Position

As at March 31, 2020

	Note	(Unaudited) Mar. 31, 2020	(Audited) Jun. 30, 2019
Rupees ('000)			
SHARE CAPITAL AND RESERVES			
Authorised capital 500,000,000 (June 30, 2019: 500,000,000) ordinary shares of Rs 10 each		5,000,000	5,000,000
Issued, subscribed and paid-up capital 283,855,104 (June 30, 2019: 283,855,104) ordinary shares of Rs 10 each		2,838,551	2,838,551
Revenue reserves	3	34,986,863	35,232,446
		37,825,414	38,070,997
NON CURRENT LIABILITIES			
Long term deposits		860,798	844,756
Deferred liabilities	4	19,508,635	17,057,400
		20,369,433	17,902,156
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	5	25,054,587	19,329,256
Dividend payable		5,377,635	-
Unclaimed dividend		199,491	191,166
Provision for income tax		6,501,387	5,996,250
		37,133,100	25,516,672
CONTINGENCIES AND COMMITMENTS	6		
		95,327,947	81,489,825



	Note	(Unaudited) Mar. 31, 2020	(Audited) Jun. 30, 2019
Rupees ('000)			
NON-CURRENT ASSETS			
Property, plant and equipment	7	7,812,661	8,498,830
Development and decommissioning costs	8	11,915,386	11,053,586
Exploration and evaluation assets	9	1,884,613	52,761
		21,612,660	19,605,177
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES	10	9,615,603	9,615,603
LONG TERM LOANS AND ADVANCES		27,630	26,273
CURRENT ASSETS			
Stores and spares		4,557,119	3,917,736
Stock in trade		387,686	297,331
Trade debts	11	8,498,134	8,908,128
Advances, deposits, prepayments and other receivables	12	4,163,512	2,544,659
Other financial assets	13	3,960	813,478
Cash and bank balances	14	46,461,643	35,761,440
		64,072,054	52,242,772
		95,327,947	81,489,825

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

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

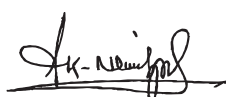
Abdus Sattar
Director

Condensed Interim Statement of Profit or Loss (Unaudited)

For the nine months period ended March 31, 2020

	Note	Three months period ended		Nine months period ended	
		Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019
Rupees ('000)					
SALES		11,699,797	11,573,991	35,172,385	35,575,596
Sales tax		(962,695)	(891,695)	(2,722,857)	(2,684,132)
NET SALES	15	10,737,102	10,682,296	32,449,528	32,891,464
Operating costs	16	(2,659,903)	(2,821,797)	(7,709,074)	(8,326,183)
Excise duty		(76,735)	(76,976)	(222,787)	(232,610)
Royalty		(1,080,218)	(1,086,588)	(3,419,626)	(3,331,172)
Amortisation of development and decommissioning costs		(653,157)	(1,014,040)	(1,898,985)	(2,816,640)
		(4,470,013)	(4,999,401)	(13,250,472)	(14,706,605)
GROSS PROFIT		6,267,089	5,682,895	19,199,056	18,184,859
Exploration costs	17	(361,703)	(1,097,261)	(1,152,351)	(1,907,415)
		5,905,386	4,585,634	18,046,705	16,277,444
Administration expenses		(70,758)	(47,290)	(174,811)	(154,723)
Finance costs - net	18	(1,240,088)	(315,470)	(1,687,977)	(2,064,074)
Other charges	19	(427,541)	(349,437)	(1,238,578)	(1,215,548)
		(1,738,387)	(712,197)	(3,101,366)	(3,434,345)
		4,166,999	3,873,437	14,945,339	12,843,099
Other income - net	20	2,523,146	848,697	3,697,535	3,975,437
PROFIT BEFORE TAXATION		6,690,145	4,722,134	18,642,874	16,818,536
Provision for taxation	21	(1,311,290)	(1,435,038)	(4,695,702)	(5,642,515)
PROFIT FOR THE PERIOD		5,378,855	3,287,096	13,947,172	11,176,021
Earnings per share - Basic and diluted (Rs)		18.95	11.58	49.13	39.37


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



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

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

For the nine months period ended March 31, 2020

	Three months period ended		Nine months period ended	
	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019
	Rupees ('000)			
Profit for the period	5,378,855	3,287,096	13,947,172	11,176,021
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,378,855	3,287,096	13,947,172	11,176,021

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

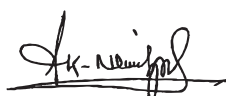
Khalid Nafees
CFOShuaib A. Malik
Chief ExecutiveAbdus Sattar
Director

Condensed Interim Statement of Changes in Equity (Unaudited)

For the nine months period ended March 31, 2020

	Share Capital	Capital Reserves	Revenue reserves		Fair value gain/ (loss) on available-for-sale investments	Total	
		Issue of bonus shares	Insurance Reserve	Investment Reserve			Unappropriated profit
Rupees ('000)							
Balance at June 30, 2018	2,365,459	-	200,000	1,557,794	28,643,259	2,227	32,768,739
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	11,176,021	(2,227)	11,173,794
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	11,176,021	(2,227)	11,173,794
Transferred to reserve for issue of bonus shares	-	473,092	-	-	(473,092)	-	-
Transactions with owners:							
Bonus share issued @ 20% - Year ended June 30, 2018	473,092	(473,092)	-	-	-	-	-
Final dividend @ Rs 25 per share - Year ended June 30, 2018	-	-	-	-	(5,913,648)	-	(5,913,648)
Interim dividend @ Rs 25 per share - Year ended June 30, 2019	-	-	-	-	(5,677,102)	-	(5,677,102)
Total transaction with owners	473,092	(473,092)	-	-	(11,590,750)	-	(11,590,750)
Balance at March 31, 2019	2,838,551	-	200,000	1,557,794	27,755,438	-	32,351,783
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	5,695,686	-	5,695,686
Other comprehensive income	-	-	-	-	23,528	-	23,528
	-	-	-	-	5,719,214	-	5,719,214
Balance at June 30, 2019	2,838,551	-	200,000	1,557,794	33,474,652	-	38,070,997
Total comprehensive income for the period:							
Profit for the period	-	-	-	-	13,947,172	-	13,947,172
Other comprehensive income	-	-	-	-	-	-	-
	-	-	-	-	13,947,172	-	13,947,172
Transactions with owners:							
Final dividend @ Rs 30 per share - Year ended June 30, 2019	-	-	-	-	(8,515,653)	-	(8,515,653)
Interim dividend @ Rs 20 per share - Year ending June 30, 2020	-	-	-	-	(5,677,102)	-	(5,677,102)
Total transactions with owners	-	-	-	-	(14,192,755)	-	(14,192,755)
Balance at March 31, 2020	2,838,551	-	200,000	1,557,794	33,229,069	-	37,825,414

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



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

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

For the nine months period ended March 31, 2020

Nine months period ended

Mar. 31, 2020	Mar. 31, 2019
Rupees ('000)	

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	33,414,213	34,235,682
Operating and exploration costs paid	(5,931,042)	(8,521,787)
Royalty paid	(3,555,774)	(3,346,146)
Taxes paid	(3,661,351)	(4,611,494)
Cash provided by operating activities	20,266,046	17,756,255

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure	(4,745,877)	(316,547)
Income on bank saving accounts, deposits and investment carried at amortised cost	2,228,598	1,277,949
Proceeds from disposal of property, plant and equipment	6,648	4,737
Investments in mutual funds classified as fair value through profit or loss	809,518	(1,018,762)
Dividend income received	144,595	425,606
Cash (used in) / generated by investing activities	(1,556,518)	372,983

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid	(8,806,795)	(5,905,811)
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EFFECT OF EXCHANGE RATE CHANGES	797,470	1,816,267
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INCREASE IN CASH AND CASH EQUIVALENTS	10,700,203	14,039,694
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CASH AND CASH EQUIVALENTS AT JULY 01,	35,761,440	21,532,841
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CASH AND CASH EQUIVALENTS AT MAR. 31,	46,461,643	35,572,535
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Cash and cash equivalent comprises of cash and bank balances.

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

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

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

For the nine months period ended March 31, 2020

1. LEGAL STATUS AND OPERATIONS

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

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2019.

The management is assessing the developing situation arising out of COVID-19 pandemic which has resulted in significant decrease in demand of crude oil by refineries and sharp decline in oil prices. Gas production is also reduced as gas is produced commingled with oil. The effects, if any, of this evolving situation will be reflected in the financial statements for the year ending June 30, 2020.

2.1 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

- IFRS 16 “Leases” has replaced IAS 17 “Leases”, the former lease accounting standard, and has become effective from annual accounting periods beginning on or after January 1, 2019. Under the new standard, almost all leases which meet the criteria described in the standard will be recognized on the statement of financial position with only exceptions of short term and low value leases. Under IFRS 16, an asset (the right to use the leased item) is recognized along with corresponding financial liability to pay rentals at the present value of future lease payments over the lease term, discounted with the specific incremental borrowing rate.

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

For the nine months period ended March 31, 2020

The Company has adopted IFRS 16 from July 01, 2019 using the modified retrospective approach and the Company has assessed that the adoption of IFRS 16 does not have any material financial impact on these financial statements.

In applying IFRS 16 for the first time, the Company has used the following practical expedient permitted by the standard:

- the accounting for operating leases with a remaining lease term of less than 12 months as at July 1, 2019 as short-term leases
- As per Securities and Exchange Commission of Pakistan (SECP) SRO 985 (1)/2019, dated September 2, 2019, for companies holding financial assets due from Government of Pakistan, the requirements contained in IFRS 9 with respect to expected credit losses method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 – Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on the Company's condensed interim financial statements.

(Unaudited) Mar. 31, 2020	(Audited) Jun. 30, 2019
Rupees ('000)	

3. REVENUE RESERVES

Insurance reserve	200,000	200,000
Investment reserve	1,557,794	1,557,794
Unappropriated profit	33,229,069	33,474,652
	34,986,863	35,232,446

4. DEFERRED LIABILITIES

Provision for deferred income tax	5,767,281	5,238,067
Provision for decommissioning cost	13,735,746	11,811,608
Provision for staff compensated absences	5,608	7,725
	19,508,635	17,057,400

5. TRADE AND OTHER PAYABLES

These include balance due to joint venture partners amounting to Rs 1,876,172 thousand (June 30, 2019: Rs 1,710,334 thousand) and balances due to related parties amounting to Rs 2,976,978 thousand (June 30, 2019: Rs 1,477,716 thousand).

These also include payments received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive of Rs 14,803,862 thousand (June 30, 2019: Rs 11,400,420 thousand) as explained in note 15.1.

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

For the nine months period ended March 31, 2020

6. CONTINGENCIES AND COMMITMENTS

6.1 There were no material contingencies at March 31, 2020 (June 30, 2019: Nil).

	(Unaudited) Mar. 31, 2020	(Audited) Jun. 30, 2019
	Rupees ('000)	

6.2 Commitments:

Share in joint ventures	9,526,490	12,956,173
Own fields	2,068,200	3,879,260
Letter of credit issued by banks on behalf of the company	315,799	1,060,495

7. PROPERTY, PLANT AND EQUIPMENT

Operating assets

Opening net book value	7,747,259	8,754,987
Additions during the period / year	718,513	635,286
Disposals during the period / year	(1,556)	(10,998)
Depreciation for the period / year	(1,142,964)	(1,632,016)
Closing net book value	7,321,252	7,747,259
Capital work in progress - at cost	491,409	751,571
	7,812,661	8,498,830

8. DEVELOPMENT AND DECOMMISSIONING COSTS

Development cost

Opening net book value	10,886,151	12,175,661
Additions during the period / year	2,483,539	1,522,774
Revision due to change in estimates	(67,711)	(748,330)
Well cost transferred from exploration and evaluation assets	-	1,679,562
Amortisation for the period / year	(1,894,265)	(3,743,516)
Closing book value	11,407,714	10,886,151

Decommissioning cost

Opening net book value	167,435	421,059
Additions during the period / year	69,775	48,385
Revision due to change in estimates	408,691	(271,192)
Amortisation for the period / year	(138,229)	(30,817)
Closing book value	507,672	167,435
	11,915,386	11,053,586



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

For the nine months period ended March 31, 2020

(Unaudited) (Audited)
Mar. 31, 2020 Jun. 30, 2019
Rupees ('000)

9. EXPLORATION AND EVALUATION ASSETS

Balance brought forward	52,761	2,590,790
Additions during the period/ year	1,831,852	760,589
Well cost transferred to development costs	-	(1,679,562)
Dry and abandoned wells cost charged to the statement of profit or loss	-	(1,619,056)
	1,884,613	52,761

(Unaudited) (Audited)
Mar. 31, 2020 Jun. 30, 2019
Percentage holding Amount Rupees ('000) Percentage holding Amount Rupees ('000)

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

Subsidiary company

Unquoted

Cargas (Private) Limited	51	1,530	51	1,530
--------------------------	----	-------	----	-------

Associated companies

Quoted

National Refinery Limited - note 10.1	25	8,046,635	25	8,046,635
---------------------------------------	----	-----------	----	-----------

Attock Petroleum Limited	7	1,562,938	7	1,562,938
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Unquoted

Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
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	9,615,603	9,615,603
--	------------------	------------------

10.1 Based on valuation analysis, the recoverable amount of investment in National Refinery Limited exceeds its carrying amount. The recoverable amount had been estimated based on value in use calculation carried out by external investment advisor engaged by the Company, on an annual basis.

11. TRADE DEBTS

These include Rs 3,895,290 thousand (June 30, 2019: Rs 4,286,337 thousand) receivable from related parties.

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

For the nine months period ended March 31, 2020

12. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

These include balances with joint venture partners amounting to Rs 466,352 thousand (June 30, 2019 : Rs 134,476 thousand) and balances with related parties amounting to Rs 301,575 thousand (June 30, 2019 : Rs 98,729 thousand).

(Unaudited) (Audited)
Mar. 31, 2020 Jun. 30, 2019
 _____ Rupees ('000) _____

13. OTHER FINANCIAL ASSETS

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

3,960 813,478

14. CASH AND BANK BALANCES

Bank balance on:

Short term deposits

38,834,068 32,182,288

Interest/ mark-up bearing saving accounts

7,578,679 3,519,913

Current account

42,956 53,922

46,455,703 35,756,123

Cash in hand

5,940 5,317

46,461,643 35,761,440

Balance with banks include foreign currency balances of US \$ 126,561 thousand (June 30, 2019: US \$ 117,967 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 2 % to 15.20% p.a (June 30, 2019: 2% to 13.35% p.a).

Three months period ended **Nine months period ended**
 _____ **Mar. 31, 2020** Mar. 31, 2019 **Mar. 31, 2020** Mar. 31, 2019
 _____ Rupees ('000) _____

15. NET SALES

Crude oil

4,719,297 5,239,389 **15,377,760** 16,677,977

Gas - note 15.1

3,869,409 3,367,812 **11,366,943** 10,053,394

POLGAS -Refill of cylinders

2,084,044 2,015,149 **5,517,146** 5,966,334

Solvent oil

57,506 59,946 **179,979** 183,734

Sulphur

6,846 - **7,700** 10,025

10,737,102 10,682,296 **32,449,528** 32,891,464

15.1 On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies

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

For the nine months period ended March 31, 2020

starting from November 27, 2007 and for future exploratory efforts under the above mentioned block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject arrears.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of following explanation of conversion package:

“the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii) EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training”.

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) had required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above. signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honorable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. The case came up for hearing on June 12, 2019 but was adjourned on the request of legal counsel of the Government. The Islamabad High Court had fixed March 19, 2020 as next date of hearing, but the hearing was cancelled due to preventive measures taken in the courts in respect of Coronavirus.

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to March 31, 2020 amounting to Rs 13,327,938 thousand will be accounted for upon resolution of this matter (including Rs 10,855,542 thousand related to period since inception to June 30, 2019). Additional revenue on account of enhanced gas price incentive of Rs 14,803,862 thousand including sales tax of Rs 2,150,988 thousand received from customer on the basis of notified prices has been shown in "trade and other payables".

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

For the nine months period ended March 31, 2020

	Three months period ended		Nine months period ended	
	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019
Rupees ('000)				
16. OPERATING COSTS				
Operating Cost - Own fields	325,769	393,388	1,010,399	1,147,899
- Share in joint operations	871,710	834,604	2,506,754	2,368,392
Well workover	(4,956)	28,679	51,140	427,453
POLGAS-Cost of gas /LPG, Carriage etc.	1,129,615	1,157,524	3,103,077	3,174,602
Pumping and transportation cost	20,912	17,777	49,009	48,995
Depreciation	343,367	385,062	1,079,050	1,166,977
	2,686,417	2,817,034	7,799,429	8,334,318
Opening stock of crude oil and other products	361,172	305,879	297,331	292,981
Closing stock of crude oil and other products	(387,686)	(301,116)	(387,686)	(301,116)
	2,659,903	2,821,797	7,709,074	8,326,183
17. EXPLORATION COSTS				
Geological & geophysical cost	361,703	64,364	1,152,351	230,029
Dry and abandoned wells cost charged to the profit or loss	-	1,032,897	-	1,677,386
	361,703	1,097,261	1,152,351	1,907,415
18. FINANCE COSTS - NET				
Provision for decommissioning cost				
- Unwinding of discount	403,754	189,143	1,211,260	567,430
- Exchange loss	835,134	124,984	472,510	1,491,997
Banks' commission and charges	1,200	1,343	4,207	4,647
	1,240,088	315,470	1,687,977	2,064,074
19. OTHER CHARGES				
Workers' profit participation fund	355,884	253,547	993,786	901,549
Workers' welfare fund	71,657	95,890	244,792	313,999
	427,541	349,437	1,238,578	1,215,548



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

For the nine months period ended March 31, 2020

Three months period ended		Nine months period ended	
Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019

Rupees ('000)

20. OTHER INCOME - NET

Income from financial assets

Income on bank saving accounts, deposits and investments carried at amortised cost	825,852	506,514	2,401,349	1,390,212
Exchange gain on financial assets	1,493,736	128,919	797,470	1,816,267
Dividend on investments classified as fair value through profit or loss	16,268	22,077	32,595	22,077

Dividend from investment in subsidiary and associated companies

42,153	80,174	112,000	425,606
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Other income

Rental income (net of related expenses)	107,394	25,475	228,766	79,096
Crude oil / Gas transportation income (net of related expenses)	22,113	29,545	82,367	109,156
Gas processing fee	12,907	25,071	23,065	80,483
Profit on sale of property, plant and equipment	-	2,761	5,735	3,128
Profit on sale of stores and scrap	216	37,530	3,132	54,000
Fair value adjustment on investment in mutual funds classified as fair value through profit or loss	3,410	(10,135)	11,342	(7,999)
Others	(903)	766	(286)	3,411

2,523,146	848,697	3,697,535	3,975,437
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21. PROVISION FOR TAXATION

Current	1,180,903	1,903,944	4,166,488	7,320,005
Deferred	130,387	(468,906)	529,214	(1,677,490)
	1,311,290	1,435,038	4,695,702	5,642,515

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

For the nine months period ended March 31, 2020

22. FAIR VALUE MEASUREMENT

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1: Quoted prices in active markets for identical assets and liabilities;
- Level 1: Observable inputs; and
- Level 1: Unobservable inputs

The Company held the following financial assets at fair value;

	March 31, 2020			June 30, 2019
	(Level 1)	(Level 2)	(Level 3)	
	Rupees ('000)			
Other financial assets classified as fair value through profit or loss	3,960	-	-	3,960
				813,478

Three months period ended		Nine months period ended	
Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019
Rupees ('000)			

23. TRANSACTION WITH RELATED PARTIES

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

Sales of goods and services to

Associated companies	3,677,241	4,771,802	13,297,704	15,222,976
Subsidiary company	2,491	2,989	9,524	9,077

Purchase of goods and services from

Associated companies	311,157	449,354	1,303,550	1,321,611
Subsidiary company	2,805	2,001	7,162	6,404
Parent company	27,325	32,849	85,619	120,444

Dividend Paid

Parent company	299,467	-	4,791,474	3,119,449
Associated companies	-	-	13,663	9,488
Key management personnel	-	-	86,275	59,905

Dividend Received

Associated companies	-	69,847	69,847	415,279
Subsidiary company	7,229	10,327	7,229	10,327



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

For the nine months period ended March 31, 2020

	Three months period ended		Nine months period ended	
	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019
	Rupees ('000)			

Other related parties

Remuneration of Chief Executive and key management personnel including benefits and perquisites	35,742	25,146	119,461	109,144
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	22,430	19,974	66,523	64,510
Approved Contributory Provident Funds	7,585	7,111	23,335	23,473
Contribution to Workers' Profit Participation Fund	355,884	253,547	993,786	901,549

24. OPERATING SEGMENTS

The financial statements have been prepared on the basis of single reportable segment. Revenue from external customers for products of the Company is disclosed in note 15.

Revenue from two major customers of the Company constitutes 67% of the total revenue during the period ended March 31, 2020 (March 31, 2019: 71%).

25. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for circulation to the shareholders by the Board of Directors of the Company on April 23, 2020.

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

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**Condensed Interim Consolidated
Financial Statements (Unaudited)**
For the Nine months period ended March 31, 2020

Condensed Interim Consolidated Statement of Financial Position
 As at March 31, 2020

	Note	(Unaudited) Mar. 31, 2020	(Audited) Jun. 30, 2019
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
ATTRIBUTABLE TO OWNERS OF POL			
Authorised capital		5,000,000	5,000,000
Issued, subscribed and paid-up capital		2,838,551	2,838,551
Capital reserves	4	2,027,868	2,027,863
Revenue reserves	5	36,348,724	36,615,085
Gain on remeasurement of investment at fair value through Other Comprehensive Income (OCI)		3,337	3,337
		41,218,480	41,484,836
NON - CONTROLLING INTEREST		125,346	117,124
		41,343,826	41,601,960
NON CURRENT LIABILITIES			
Long term deposits		995,381	976,516
Deferred liabilities	6	19,731,793	17,291,297
		20,727,174	18,267,813
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	7	25,077,218	19,344,762
Dividend payable		5,377,635	-
Unclaimed dividend		199,491	191,166
Provision for income tax		6,513,204	6,007,343
		37,167,548	25,543,271
CONTINGENCIES AND COMMITMENTS	8		
		99,238,548	85,413,044



	Note	(Unaudited) Mar. 31, 2020	(Audited) Jun. 30, 2018
		Rupees ('000)	
NON-CURRENT ASSETS			
Property, plant and equipment	9	7,865,278	8,557,119
Development and decommissioning costs	10	11,915,386	11,053,586
Exploration and evaluation assets	11	1,884,613	52,761
Other intangible assets		102,357	151,722
Deffered income tax asset		2,652	2,652
		21,770,286	19,817,840
LONG TERM INVESTMENT IN ASSOCIATED COMPANIES			
	12	13,096,711	13,135,926
LONG TERM LOANS AND ADVANCES			
		27,630	26,273
CURRENT ASSETS			
Stores and spares		4,557,847	3,918,405
Stock in trade		389,773	313,921
Trade debts	13	8,498,353	8,908,201
Advances, deposits, prepayments and other receivables	14	4,183,416	2,566,353
Other financial assets		3,960	880,749
Cash and bank balances	15	46,710,572	35,845,376
		64,343,921	52,433,005
		99,238,548	85,413,044

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Khalid Nafees
CFO

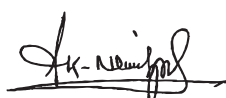
Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)
For the nine months period ended March 31, 2020

	Note	Three months period ended		Nine months period ended	
		Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019
Rupees ('000)					
SALES		12,036,680	11,833,622	36,061,605	36,400,547
Sales tax		(1,012,767)	(930,557)	(2,856,000)	(2,807,916)
NET SALES	16	11,023,913	10,903,065	33,205,605	33,592,631
Operating costs	17	(2,922,917)	(3,023,331)	(8,414,067)	(8,984,070)
Excise duty		(76,735)	(76,976)	(222,787)	(232,610)
Royalty		(1,080,218)	(1,086,588)	(3,419,626)	(3,331,172)
Amortisation of development and decommissioning costs		(653,157)	(1,014,040)	(1,898,985)	(2,816,640)
		(4,733,027)	(5,200,935)	(13,955,465)	(15,364,492)
GROSS PROFIT		6,290,886	5,702,130	19,250,140	18,228,139
Exploration costs	18	(361,703)	(1,097,261)	(1,152,351)	(1,907,415)
		5,929,183	4,604,869	18,097,789	16,320,724
Administration expenses		(75,949)	(51,970)	(191,286)	(170,105)
Finance costs - net	19	(1,240,088)	(315,485)	(1,687,979)	(2,064,090)
Other charges	20	(429,088)	(350,450)	(1,241,809)	(1,217,625)
		(1,745,125)	(717,905)	(3,121,074)	(3,451,820)
Other income - net	21	4,184,058	3,886,964	14,976,715	12,868,904
		2,484,813	768,656	3,597,758	3,552,046
		6,668,871	4,655,620	18,574,473	16,420,950
Share in (loss) / profits of associated companies - net of impairment loss		(41,561)	21,409	65,481	371,271
PROFIT BEFORE TAXATION		6,627,310	4,677,029	18,639,954	16,792,221
Provision for taxation	22	(1,417,359)	(1,431,252)	(4,698,462)	(5,642,894)
PROFIT FOR THE PERIOD		5,209,951	3,245,777	13,941,492	11,149,327
Attributable to:					
Owners of POL		5,202,467	3,237,228	13,926,324	11,139,579
Non - controlling interest		7,484	8,549	15,168	9,748
		5,209,951	3,245,777	13,941,492	11,149,327
Earnings per share attributable to owners of POL - Basic and diluted (Rupees)		18.33	11.40	49.06	39.24


The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director



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

For the nine months period ended March 31, 2020

	Three months period ended		Nine months period ended	
	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019
Rupees ('000)				
PROFIT FOR THE PERIOD	5,209,951	3,245,777	13,941,492	11,149,327
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss				
Share of other comprehensive income of associated companies - net of tax	-	225	75	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	5,209,951	3,246,002	13,941,567	11,149,327
Attributable to:				
Owners of POL	5,202,467	3,237,453	13,926,399	11,139,579
Non - controlling interest	7,484	8,549	15,168	9,748
	5,209,951	3,246,002	13,941,567	11,149,327

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Khalid Nafees
CFO

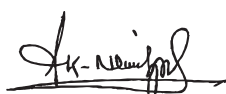
Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Condensed Interim Consolidated Statement of Changes in Equity (Unaudited) For the nine months period ended March 31, 2020

	Attributable to owners of Pakistan Oilfields Limited										Non-controlling interest	Total	
	Capital Reserves					Revenue Reserves			Fair value gain/ (loss) on available-for-sale investments	Gain on revaluation of investment at fair value			Total
	Share Capital	Bonus shares issued	Bonus shares issued by subsidiary/ associated companies	Special reserve	Utilised Special Reserve	Insurance reserve	General reserve	Unappropriated profit					
	Rupees ('000)												
Balance at June 30, 2018	2,365,459	-	59,754	17,512	1,941,044	200,000	6,852,325	28,337,303	2,227	-	39,775,624	122,140	39,897,764
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	11,139,579	(2,227)	-	11,137,352	9,748	11,147,100
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	11,139,579	(2,227)	-	11,137,352	9,748	11,147,100
Bonus shares issued by an associated company	-	-	11,641	-	-	-	-	(11,641)	-	-	-	-	-
Transfer to special reserve by an associated company	-	-	-	(2,088)	-	-	-	2,088	-	-	-	-	-
Transfer to general reserve by an associated companies	-	-	-	-	-	-	225,000	(225,000)	-	-	-	-	-
Transferred to reserve for issue of bonus shares	-	473,092	-	-	-	-	-	(473,092)	-	-	-	-	-
Transactions with owners:													
POL dividends:													
Bonus share issued @ 20% - Year ended June 30, 2018	473,092	(473,092)	-	-	-	-	-	-	-	-	-	-	-
Final cash dividend @ Rs 25 per share - Year ended June 30, 2018	-	-	-	-	-	-	-	(5,913,648)	-	-	(5,913,648)	-	(5,913,648)
Interim cash dividend @ Rs 20 per share - Year ended June 30, 2019	-	-	-	-	-	-	-	(5,677,102)	-	-	(5,677,102)	-	(5,677,102)
Dividend to CAPGAS non-controlling interest holders:													
Interim dividend @ Rs 30 per share - Year ended June 30, 2019	-	-	-	-	-	-	-	-	-	-	-	(9,923)	(9,923)
Total transactions with owners	473,092	(473,092)	-	-	-	-	-	(11,590,750)	-	-	(11,590,750)	(9,923)	(11,600,673)
Balance at March 31, 2019	2,838,551	-	71,395	15,424	1,941,044	200,000	7,077,325	27,178,487	-	-	39,322,226	121,965	39,444,191
Impact of IFRS 9 transition	-	-	-	-	-	-	-	(26,640)	-	3,753	(22,887)	-	(22,887)
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	2,137,204	-	-	2,137,204	(5,019)	2,132,185
Other comprehensive income	-	-	-	-	-	-	-	48,709	-	(416)	48,293	178	48,471
	-	-	-	-	-	-	-	2,185,913	-	(416)	2,185,497	(4,841)	2,180,656
Balance at June 30, 2019	2,838,551	-	71,395	15,424	1,941,044	200,000	7,077,325	29,337,760	-	3,337	41,484,836	117,124	41,601,960
Total comprehensive income for the period:													
Profit for the period	-	-	-	-	-	-	-	13,926,324	-	-	13,926,324	15,168	13,941,492
Other comprehensive income	-	-	-	-	-	-	-	75	-	-	75	-	75
	-	-	-	-	-	-	-	13,926,399	-	-	13,926,399	15,168	13,941,567
Transfer to special reserve by an associated company	-	-	-	5	-	-	-	(5)	-	-	-	-	-
Transactions with owners:													
POL dividend:													
Final dividend @ Rs 30 per share - Year ended June 30, 2019	-	-	-	-	-	-	-	(8,515,653)	-	-	(8,515,653)	-	(8,515,653)
Interim cash dividend @ Rs 20 per share - Year ended June 30, 2020	-	-	-	-	-	-	-	(5,677,102)	-	-	(5,677,102)	-	(5,677,102)
Dividend to CAPGAS non-controlling interest holders:													
Interim dividend @ Rs 21 per share - Year ended June 30, 2020	-	-	-	-	-	-	-	-	-	-	-	(6,946)	(6,946)
Total transactions with owners	-	-	-	-	-	-	-	(14,192,755)	-	-	(14,192,755)	(6,946)	(14,199,701)
Balance at March 31, 2020	2,838,551	-	71,395	15,429	1,941,044	200,000	7,077,325	29,071,399	-	3,337	41,218,480	125,346	41,343,826

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.



Khalid Nafees
CFO



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director



Condensed Interim Consolidated Statement of Cashflows (Unaudited)

For the nine months period ended March 31, 2020

Note	Nine months period ended	
	Mar. 31, 2020	Mar. 31, 2019
	Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	34,187,728	34,944,640
Operating and exploration costs paid	(6,577,830)	(9,131,137)
Royalty paid	(3,555,774)	(3,346,146)
Taxes paid	(3,673,272)	(4,621,782)
Cash provided by operating activities	20,380,852	17,845,575
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(4,747,894)	(316,948)
Proceeds from disposal of property, plant and equipment	6,648	4,737
Investments in mutual funds classified as fair value through profit or loss	875,897	(1,018,762)
Income on bank saving accounts, deposits and investment carried at amortised cost	2,228,598	1,277,949
Dividend received from associated companies	137,366	415,278
Cash (used in) / generated by investing activities	(1,499,385)	362,254
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(8,806,795)	(5,915,734)
EFFECT OF EXCHANGE RATE CHANGES	797,470	1,816,267
INCREASE IN CASH AND CASH EQUIVALENTS	10,865,196	14,108,363
CASH AND CASH EQUIVALENTS AT JULY 01,	35,845,376	21,623,551
CASH AND CASH EQUIVALENTS AT MAR. 31,	46,710,572	35,731,914

Cash and cash equivalent comprises of cash and bank balances.

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

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

For the nine months period ended March 31, 2020

1. LEGAL STATUS AND OPERATIONS

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

CAPGAS (Private) Limited, the subsidiary company is incorporated in Pakistan as a private limited company under the Companies Act, 2017 and is principally engaged in buying, filling, distribution and dealing in LPG.

For the purpose of these accounts, POL and its consolidated subsidiary are referred as the Company.

2. BASIS OF CONSOLIDATION

The consolidated financial information include the financial statements of POL and its subsidiary CAPGAS with 51% holding (June 30, 2019: 51%).

Subsidiaries are those enterprises in which parent company directly or indirectly controls, beneficially owns or holds more than 50% of the voting securities or otherwise has power to elect and appoint more than 50% of its directors. The financial statements of the subsidiary are included in the consolidated financial statements from the date control commences until the date that control ceases.

The assets and liabilities of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the parent company is eliminated against the subsidiary shareholders' equity in the consolidated financial statements.

Material intra-group balances and transactions have been eliminated.

Non-controlling interests are that part of the net results of the operations and of net assets of the subsidiary attributable to interests which are not owned by the parent company. Non-controlling interest are presented as a separate item in the consolidated financial statements.

3. Basis of Preparation

These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International accounting standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

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

For the nine months period ended March 31, 2020

These condensed interim consolidated financial statements does not include all the information required for full financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended June 30, 2019.

The management is assessing the developing situation arising out of COVID-19 pandemic which has resulted in significant decrease in demand of crude oil by refineries and sharp decline in oil prices. Gas production is also reduced as gas is produced commingled with oil. The effects, if any, of this evolving situation will be reflected in the financial statements for the year ending June 30, 2020.

3.1 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

- IFRS 16 “Leases” has replaced IAS 17 “Leases”, the former lease accounting standard, and has become effective from annual accounting periods beginning on or after January 1, 2019. Under the new standard, almost all leases which meet the criteria described in the standard will be recognized on the statement of financial position with only exceptions of short term and low value leases. Under IFRS 16, an asset (the right to use the leased item) is recognized along with corresponding financial liability to pay rentals at the present value of future lease payments over the lease term, discounted with the specific incremental borrowing rate.

The Company has adopted IFRS 16 from July 01, 2019 using the modified retrospective approach and the Company has assessed that the adoption of IFRs 16 does not have any material financial impact on these financial statements.

In applying IFRS 16 for the first time, the Company has used the following practical expedient permitted by the standard:

- the accounting for operating leases with a remaining lease term of less than 12 months as at July 1, 2019 as short-term leases
- As per Securities and Exchange Commission of Pakistan (SECP) SRO 985 (1)/2019, dated September 2, 2019, for companies holding financial assets due from Government of Pakistan, the requirements contained in IFRS 9 with respect to expected credit losses method shall not be applicable till June 30, 2021, provided that such companies shall follow relevant requirements of IAS 39 – Financial Instruments: Recognition and Measurement, in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on the Company's condensed interim financial statements.

(Unaudited)	(Audited)
Mar. 31, 2020	Jun. 30, 2019
————— Rupees ('000) —————	

4. CAPITAL RESERVES

Bonus shares issued by subsidiary/associated companies	71,395	71,395
Special reserve	15,429	15,424
Utilised special reserve	1,941,044	941,044
	2,027,868	2,027,863

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

For the nine months period ended March 31, 2020

	(Unaudited) Mar. 31, 2020	(Audited) Jun. 30, 2019
	Rupees ('000)	
5. REVENUE RESERVES		
Insurance reserve	200,000	200,000
General reserve	7,077,325	7,077,325
Unappropriated profit	29,071,399	29,337,760
	36,348,724	36,615,085
6. DEFERRED LIABILITIES		
Provision for deferred income tax	5,985,784	5,466,454
Provision for decommissioning cost	13,735,746	11,811,608
Provision for unfunded gratuity plan - CAPGAS	4,655	5,510
Provision for staff compensated absences	5,608	7,725
	19,731,793	17,291,297

7. TRADE AND OTHER PAYABLES

These include balances due to joint venture partners amounting to Rs 1,876,172 thousand (June 30, 2019: Rs 1,710,334 thousand) and balances due to related parties amounting to Rs 3,357,896 thousand (June 30, 2019: Rs 1,476,068 thousand).

These also include payments received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive of Rs 14,803,862 thousand (June 30, 2019: Rs 11,400,420 thousand) as explained in note 16.1.

8. CONTINGENCIES AND COMMITMENTS

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

8.2 Commitments:

	(Unaudited) Mar. 31, 2020	(Audited) Jun. 30, 2019
	Rupees ('000)	
Share in Joint Ventures	9,526,490	12,956,173
Own fields	2,068,200	3,879,260
Letter of credit issued by banks on behalf of the company	315,799	1,060,495

9. PROPERTY, PLANT AND EQUIPMENT

Operating assets		
Opening net book value	7,804,874	8,824,226
Additions during the period/year	720,438	635,454
Disposals during the period/year	(1,555)	(10,999)
Depreciation for the period/year	(1,150,655)	(1,643,807)
Closing net book value	7,373,102	7,804,874
Capital work in progress - at cost	492,176	752,245
	7,865,278	8,557,119


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

For the nine months period ended March 31, 2020

(Unaudited)	(Audited)
Mar. 31, 2020	Jun. 30, 2019
————— Rupees ('000) —————	

10. DEVELOPMENT AND DECOMMISSIONING COSTS
Development cost

Opening net book value	10,886,151	12,175,661
Additions during the period/year	2,483,539	1,522,774
Revision due to change in estimates	(67,711)	(748,330)
Well cost transferred from exploration and evaluation assets	-	1,679,562
Amortization for the period/year	(1,894,265)	(3,743,516)
Closing net book value	11,407,714	10,886,151

Decommissioning cost

Opening net book value	167,435	421,059
Additions during the period/year	69,775	48,385
Revision due to change in estimates	408,691	(271,192)
Amortization for the period/year	(138,229)	(30,817)
Closing net book value	507,672	167,435

11,915,386	11,053,586
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11. EXPLORATION AND EVALUATION ASSETS

Balance brought forward	52,761	2,590,790
Additions during the period/year	1,831,852	760,589
	1,884,613	3,351,379
Well cost Transfer to development costs	-	(1,679,562)
Dry and abandoned wells cost charged to the profit or loss	-	(1,619,056)
	1,884,613	52,761

12. LONG TERM INVESTMENT IN ASSOCIATED COMPANIES - EQUITY METHOD

Beginning of the year	13,135,926	17,353,491
Share in loss of associated companies	(1,966,768)	(1,890,241)
Impact of IFRS 9	-	(23,337)
Share of other comprehensive income of associated companies	75	24,995
Impairment reversal/(loss) against investment in NRL	2,032,249	(1,913,703)
Dividend received during the period / year	(104,771)	(415,279)
End of the period / year	13,096,711	13,135,926

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

For the nine months period ended March 31, 2020

- 12.1.** Based on valuation analysis, the recoverable amount of investment in National Refinery Limited exceeds its carrying amount. The recoverable amount had been estimated based on value in use calculation carried out by external investment advisor engaged by the Company, on an annual basis.

13. TRADE DEBTS

These include Rs 3,895,290 thousand (June 30, 2019: Rs 4,286,337 thousand) receivable from related parties.

14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

These include balances due from joint venture partners amounting to Rs 466,352 thousand (June 30, 2019: Rs 134,476 thousand) and balances due from related parties amounting to Rs 301,575 thousand (June 30, 2019: Rs 98,729 thousand).

(Unaudited)	(Audited)
Mar. 31, 2020	Jun. 30, 2019
————— Rupees ('000) —————	

15. CASH AND BANK BALANCES

Bank balance on:		
Short term deposits	38,935,747	32,182,288
Interest/mark-up bearing saving accounts	7,722,851	3,603,343
Current accounts	45,951	54,422
	7,768,802	3,657,765
Cash in hand	6,023	5,323
	7,774,825	3,663,088

Balance with banks include foreign currency balances of US \$ 126,561 thousand (June 30, 2019: US \$ 117,967 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 2 % to 15.20% p.a (June 30, 2019: 2% to 13.35% p.a).

(Unaudited)		(Unaudited)	
Three months period ended		Nine months period ended	
Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019
————— Rupees ('000) —————			

16. NET SALES

Crude oil	4,719,297	5,239,389	15,377,760	16,677,977
Gas - note 16.1	3,869,409	3,367,812	11,366,943	10,053,394
POLGAS/Cap Gas - Refill of cylinders	2,370,855	2,235,918	6,273,223	6,667,501
Solvent oil	57,506	59,946	179,979	183,734
Sulphur	6,846	-	7,700	10,025
	11,023,913	10,903,065	33,205,605	33,592,631

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

For the nine months period ended March 31, 2020

16.1. On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject arrears.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of following explanation of conversion package:

“the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii) EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training”.

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) had required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honorable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. The case came up for hearing on June 12, 2019 but was adjourned on the request of legal counsel of the Government. The Islamabad High Court had fixed March 19, 2020 as next date of hearing, but the hearing was cancelled due to preventive measures taken in the courts in respect of Coronavirus.

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since

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

For the nine months period ended March 31, 2020

inception to March 31, 2020 amounting to Rs 13,327,938 thousand will be accounted for upon resolution of this matter (including Rs 10,855,542 thousand related to period since inception to June 30, 2019). Additional revenue on account of enhanced gas price incentive of Rs 14,803,862 thousand including sales tax of Rs 2,150,988 thousand received from customer on the basis of notified prices has been shown in "trade and other payables".

	(Unaudited) Three months period ended		(Unaudited) Nine months period ended	
	Mar. 31, 2020	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2019
Rupees ('000)				
17. OPERATING COSTS				
Operating cost - Own fields	332,983	402,871	1,032,518	1,173,991
- Share in joint operations	871,710	834,604	2,506,754	2,368,392
Well workover	(4,956)	28,679	51,140	427,453
POLGAS/Cap Gas -Cost of gas/ LPG, carriage etc	1,361,903	1,346,050	3,714,422	3,739,106
Pumping and transportation cost	20,912	17,777	49,009	48,995
Depreciation	362,093	404,215	1,136,076	1,225,192
	2,944,645	3,034,196	8,489,919	8,983,129
Opening stock of crude oil and other products	368,045	308,346	313,921	320,152
Closing stock of crude oil and other products	(389,773)	(319,211)	(389,773)	(319,211)
	2,922,917	3,023,331	8,414,067	8,984,070
18. EXPLORATION COSTS				
Geological and geophysical cost	361,703	64,364	1,152,351	230,029
Dry and abandoned wells cost charged to the profit or loss	-	1,032,897	-	1,677,386
	361,703	1,097,261	1,152,351	1,907,415
19. FINANCE COSTS - NET				
Provision for decommissioning cost				
- unwinding of discount	403,754	189,143	1,211,260	567,430
- exchange loss	835,134	124,984	472,510	1,491,997
Banks' commission and charges	1,200	1,358	4,209	4,663
	1,240,088	315,485	1,687,979	2,064,090
20. OTHER CHARGES				
Workers' profit participation fund	357,005	254,281	996,127	903,054
Workers' welfare fund	72,083	96,169	245,682	314,571
	429,088	350,450	1,241,809	1,217,625

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

For the nine months period ended March 31, 2020

	(Unaudited)		(Unaudited)	
	Three months period ended Mar. 31, 2020	Mar. 31, 2019	Six months period ended Mar. 31, 2020	Mar. 31, 2019
Rupees ('000)				
21. OTHER INCOME - NET				
Income from financial assets				
Income on bank saving accounts, deposits and investments carried at amortised cost	831,683	509,809	2,416,089	1,395,888
Exchange gain on financial assets	1,493,736	128,919	797,470	1,816,267
Dividend on available-for-sale investments	16,268	22,077	32,595	22,077
Other income				
Rental income (net of related expenses)	107,043	25,124	227,713	78,043
Crude oil / gas transportation income (net of related expenses)	22,113	29,545	82,367	109,156
Gas processing fee	12,907	25,071	23,065	80,483
Profit on sale of property, plant and equipment	-	2,761	5,733	3,127
Profit on sale of stores and scrap	216	37,530	3,132	54,000
Fair value adjustment on investment in mutual funds classified as fair value through profit or loss	3,410	(10,135)	11,342	(7,999)
Others	(2,563)	(2,045)	(1,748)	1,004
	2,484,813	768,656	3,597,758	3,552,046
22. PROVISION FOR TAXATION				
Current	1,186,508	1,907,905	4,179,132	7,328,131
Deferred	230,851	(477,222)	519,330	(1,685,237)
	1,417,359	1,430,683	4,698,462	5,642,894

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

For the nine months period ended March 31, 2020

23. FAIR VALUE MEASUREMENT

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs; and
- Level 3 : Unobservable inputs

The Company held the following financial assets at fair value;

	<u>March 31, 2020</u>			June 30, 2019	
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>		<u>Total</u>
 Rupees ('000)				
Other financial assets classified as fair value through profit or loss	3,960	-	-	3,960	880,749

24. TRANSACTIONS WITH RELATED PARTIES

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

	<u>(Unaudited)</u>		<u>(Unaudited)</u>	
	<u>Three months period ended</u>	<u>Mar. 31, 2019</u>	<u>Six months period ended</u>	<u>Mar. 31, 2019</u>
 Rupees ('000)			
Sales of goods and services to				
Associated companies	3,677,241	4,771,802	13,297,704	15,222,976
Purchase of goods and services from				
Parent company	27,325	32,849	85,619	120,444
Associated companies	311,157	449,354	1,303,550	1,321,611
Dividend paid during the period				
Parent company	299,467	-	4,791,474	3,119,449
Associated companies	-	-	13,663	9,488
Key management Personnel	-	-	86,275	59,905
Dividend received during the period				
Associated companies	-	69,847	69,847	415,279



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

For the nine months period ended March 31, 2020

	<u>(Unaudited)</u> <u>Three months period ended</u>		<u>(Unaudited)</u> <u>Six months period ended</u>	
	<u>Mar. 31, 2020</u>	<u>Mar. 31, 2019</u>	<u>Mar. 31, 2020</u>	<u>Mar. 31, 2019</u>
	Rupees ('000)			
Other related parties				
Remuneration to key management personnel including benefits and perquisites	35,742	25,146	119,461	109,144
Contribution to staff retirement benefits plans				
"Management Staff Pension Fund and Gratuity Fund"	22,430	19,974	66,523	64,510
Approved Contributory Provident Funds	7,585	7,111	23,335	23,473
Contribution to Workers' Profit Participation Fund	357,005	254,281	996,127	903,054

25. OPERATING SEGMENTS

The financial statements have been prepared on the basis of single reportable segment. Revenue from external customers for products of the Company is disclosed in note 16.

Revenue from two major customers of the Company constitutes 65% of the total revenue during the period ended March 31, 2020 (March 31, 2019: 69%).

26. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for circulation to the shareholders by the Board of Directors of the Company on April 23, 2020.

Khalid Nafees
CFO

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Shareholding in Exploration Licenses and D&P / Mining Leases

Exploration License	Operator	Interest %
Ikhlas	Pakistan Oilfields Limited	80.00
Kirthar South	Pakistan Oilfields Limited	85.00
D.G. Khan	Pakistan Oilfields Limited	70.00
Gurgalot	Oil & Gas Development Company Limited	20.00
Tal Block	MOL Pakistan Oil and Gas Co. B.V	25.00
Margala	MOL Pakistan Oil and Gas Co. B.V	30.00
Hisal	Pakistan Petroleum Limited	25.00

D&P / Mining Lease

Balkassar	Pakistan Oilfields Limited	100.00
Dhulian	Pakistan Oilfields Limited	100.00
Joyamair	Pakistan Oilfields Limited	100.00
Khaur	Pakistan Oilfields Limited	100.00
Meyal / Uchri	Pakistan Oilfields Limited	100.00
Minwal	Pakistan Oilfields Limited	82.50
Pariwali	Pakistan Oilfields Limited	82.50
Pindori	Pakistan Oilfields Limited	35.00
Turkwal	Pakistan Oilfields Limited	67.37
Adhi	Pakistan Petroleum Limited	11.00
Chaknaurang	Oil & Gas Development Company Limited	15.00
Jhal Magsi	Oil & Gas Development Company Limited	24.00
Bhangali	Orient Petroleum Inc.	7.00
Dhurnal	Orient Petroleum Inc.	5.00
Ratana	Orient Petroleum Inc.	4.5450
Manzalai	MOL Pakistan Oil and Gas Co. B.V	25.00*
Makori	MOL Pakistan Oil and Gas Co. B.V	25.00*
Makori East	MOL Pakistan Oil and Gas Co. B.V	25.00*
Maramzai	MOL Pakistan Oil and Gas Co. B.V	25.00*
Mami Khel	MOL Pakistan Oil and Gas Co. B.V	25.00*
Tolanj	MOL Pakistan Oil and Gas Co. B.V	25.00*
Tolanj West	MOL Pakistan Oil and Gas Co. B.V	25.00*

* Pre-Commerciality interest



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