



# PAKISTAN OILFIELDS LIMITED

Ref: POL/FIN-CORP/PSX/21-22/926

February 25, 2022

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

Dear Sir,

## INTERIM REPORT AND ACCOUNTS FOR THE QUARTER ENDED DEC 31, 2021

We are pleased to enclose 3 copies of Company's Interim Report and Accounts for the half year ended December 31, 2021 for your perusal and record.

We have also uploaded the accounts for the half year ended December 31, 2021 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  
63, NIC Building, Jinnah Avenue, Blue Area,  
Islamabad.

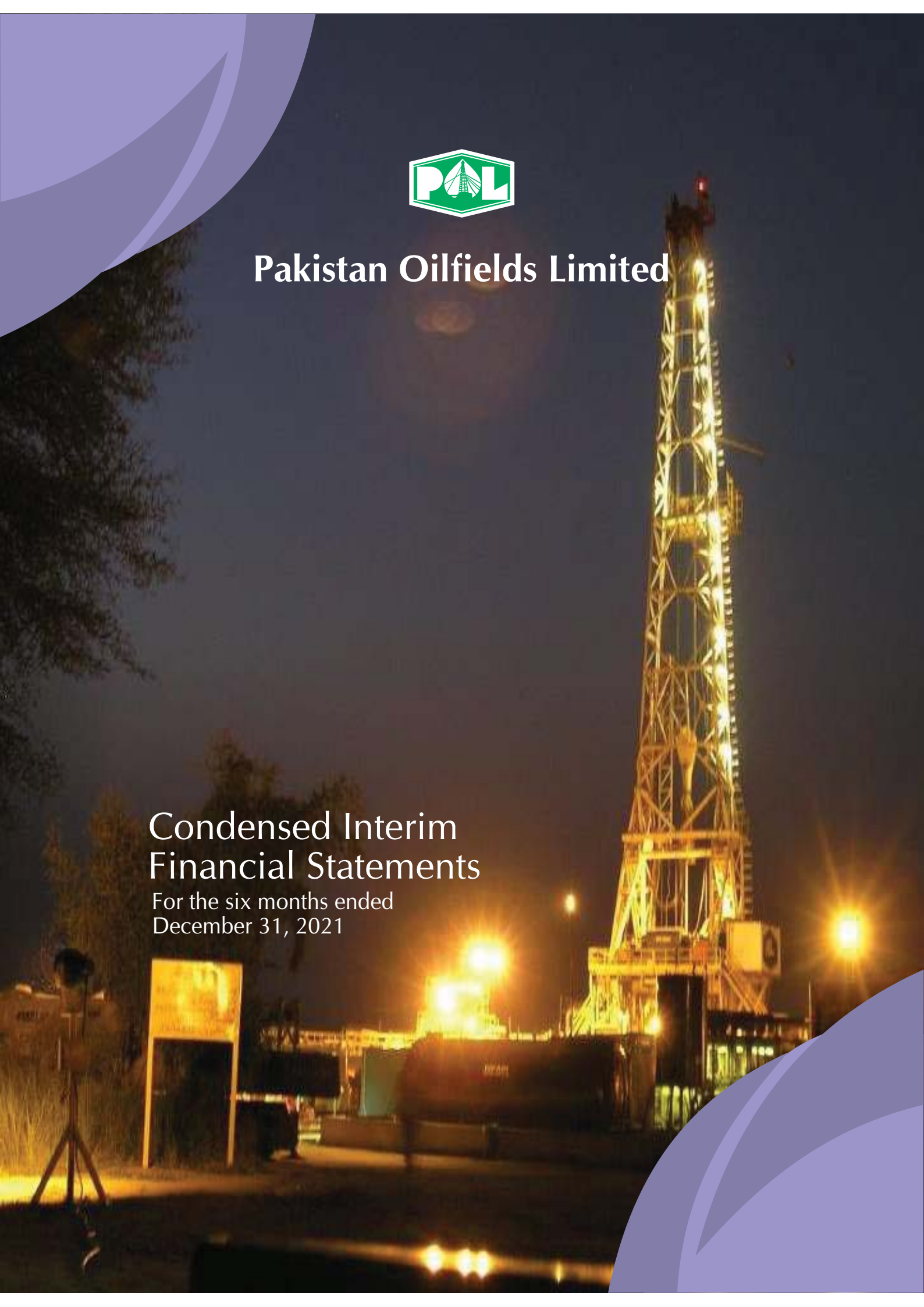
Executive Director/HOD,  
Offsite-II Department,  
Supervision Division,  
Securities & Exchange Commission of Pakistan,  
63, NIC Building, Jinnah Avenue,  
Blue Area,  
Islamabad.



# Pakistan Oilfields Limited

## Condensed Interim Financial Statements

For the six months ended  
December 31, 2021







# Contents

Vision Mission	02
Corporate Information	03
Directors' Report	04
ڈائریکٹرز رپورٹ	08
Auditor's Review Report to the Members	09
Condensed Interim Separate Financial Statements	
Statement of Financial Position	10
Statement of Profit or Loss	12
Statement of Profit or Loss and other Comprehensive Income	13
Statement of Changes in Equity	14
Statement of Cashflows	15
Notes to and forming part of the Financial Statements	16
Condensed Interim Consolidated Financial Statements	
Statement of Financial Position	28
Statement of Profit or Loss	30
Statement of Profit or Loss and Other Comprehensive Income	31
Statement of Changes in Equity	32
Statement of Cashflows	33
Notes to and forming part of the Financial Statements	34
Exploration & Development Interests	44

## VISION

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

## MISSION

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

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



## Corporate Information

### Directors

**Mr. Laith G. Pharaon**

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

**Mr. Wael G. Pharaon**

Alternate Director - **Mr. Babar Bashir Nawaz**

**Mr. Sajid Nawaz**

**Mr. Abdus Sattar**

**Mr. Shamim Ahmad Khan**

**Mr. Tariq Iqbal Khan**

**Mr. Shuaib A. Malik**

Chairman & Chief Executive

### Audit Committee

**Mr. Shamim Ahmad Khan**

Chairman

**Mr. Abdus Sattar**

Member

**Mr. Babar Bashir Nawaz**

Member

**Mr. Tariq Iqbal Khan**

Member

### Human Resource and Remuneration (HR &R) Committee

**Mr. Babar Bashir Nawaz**

Chairman

**Mr. Shuaib A. Malik**

Member

**Mr. Abdus Sattar**

Member

### Company Secretary / CFO

**Mr. Khalid Nafees**

### Auditors & Tax Advisors

**A.F. Ferguson & Co.**

Chartered Accountants

### Legal Advisors

Khan & Piracha

Ali Sibtain Fazli & Associates

### Registered Office

Pakistan Oilfields Limited

P.O.L. House, Morgah, Rawalpindi.

Telephone: +92 51 5487589-97

Fax: + 92 51 5487598-99

E-mail: polcms@pakoil.com.pk

Website: www.pakoil.com.pk

### Shareholder's Enquiries

For enquiries about your shareholding, including information relating to dividends or share certificates, please:

E-mail to: cs@pakoil.com.pk or

Write to: The Company Secretary,

Pakistan Oilfields Limited

P.O.L. House, Morgah, Rawalpindi,

Pakistan.

### Share Registrar

CDC Share Registrar Services Limited

CDC House 99-B, Block 'B' S.M.C.H.S, Main  
Shahra-e-Faisal, Karachi.

### 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 half year ended December 31, 2021.

## Financial results

During the period, the Company has made a profit after tax of Rs.10,922.7 million (December 31, 2020: Rs. 6,649 million), which is higher by 64.3% as compared to the corresponding period last year. The profit translates into basic and diluted earnings per share of Rs. 38.48 (December 31, 2020: Rs. 23.42). The increase in profit is mainly attributable to increase in average crude oil price, despite decrease in sales volume of crude oil, gas and LPG by 11.2%, 9.5% and 16.2% respectively in comparison to corresponding period last year. During the period the Company made a Consolidated profit after tax of Rs. 12,031 million (December 31, 2020: Rs. 6,748 million) which translate into consolidated earnings per share of Rs. 42.34 (December 31, 2020: Rs. 23.76).

## Production

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

		<b>Six months period ended</b>	
		<b>Dec. 31, 2021</b>	<b>Dec. 31, 2020</b>
Crude Oil	US Barrels	<b>1,055,524</b>	1,169,131
Gas	Million Standard Cubic Feet	<b>13,468</b>	14,880
LPG	Metric Tonnes	<b>28,378</b>	28,960
Sulphur	Metric Tonnes	<b>260</b>	179
Solvent Oil	US Barrels	<b>9,871</b>	8,516

The Company's share in production, including that from joint ventures, for the period under review averaged 5,737 barrels per day (bpd) of crude, 73.20 million standard cubic feet per day (mmscfd) of gas, 154.23 metric tonnes per day (MTD) of LPG, 1.42 MTD of sulphur and 54 bpd of solvent oil.

## Exploration and development activities

### Producing Fields

At Balkassar lease (100% owned by POL), Balkassar Deep-2 is in the planning phase as replacement of Balkassar Deep-1.

At Pindori Lease (operated by POL with a 35% share), evaluation on the prospectivity of Chorgali formation will be matured after integration of on-going 3D Seismic Data Re-processing.

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%), Mardankhel-4 location has been approved.

At Adhi field (operated by Pakistan Petroleum Limited (PPL), where POL has 11% share), Adhi-35, Adhi South-5 and 6 have been planned in the financial year 2021-22.



At Ratana field (operated by Orient Petroleum Inc., where POL has 4.545% share), Ratana-5 well (side track-2) drilled down to 1,729 meters observed water influx tried to kill the well. During killing operation string got stuck and finally the well has been Plugged and Abandoned due to uncontrolled problems.

### Exploration Blocks

At Ikhlas block (operated by POL with an 80% share), Jhandial 3D seismic data processing up to Pre Stack Depth Migration (PSDM) level is in progress. Contract has been awarded to complete the remaining project of Langrial 3D seismic.

At DG Khan block (operated by POL with a 70% share), DGK-1, exploratory well has been spudded on October 20, 2021 and drilling is in progress. Remaining leads are under evaluation.

North Dhurnal block (operated by POL with 60% share) was awarded on October 13, 2021. A technical workshop was held to conduct a seismic data review session.

At Kirthar South block (operated by POL with an 85% share), Sindh Forest and Wildlife Department, granted NOC to start the exploration activities in the area. Well staking of Bandhak-1 well and its access route survey is in progress.

At Margala block (operated by MOL where POL has a 30% share), 2D Seismic data acquisition of 203 line kilometers has been completed, processed and interpreted. A prospect has been finalized to drill a well. Land acquisition for the surface drilling site is in progress.

At Tal block (operated by MOL where POL has pre commerciality share of 25%), based on 3D Seismic data interpretation, an exploratory well Razgir has been approved by the joint venture partners. 152.93 square kilometers Seismic data acquisition over KOT area was completed and data processing work is going on.

Mamikhel South-01 well production line has been completed. In order to start production, Government's approval is awaited for the 2012 Petroleum Policy Gas Price.

At Hisal block (operated by PPL where POL has 25% share), planning to acquire 3D Seismic data acquisition is in progress.

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

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

At Nareli block (operated by Mari Petroleum where POL has 32% share), geological and geophysical work is in progress.

### Acknowledgement

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

On behalf of the Board

**Shuaib A. Malik**  
Chairman & Chief Executive

**Abdus Sattar**  
Director

Rawalpindi  
February 4, 2022

مارگلہ بلاک (زیر انتظام مول جہاں پی او ایل کا حصہ ۳۰ فی صد ہے) ۲۰۳ لائن کلومیٹر پر 2D ارضیاتی اعداد و شمار حاصل کر کے ان پر عمل درآمد اور تشریح کر دی گئی ہے۔ کنواں کھودنے کے لئے ایک امکان کو حتمی شکل دے دی گئی ہے۔ دریافتی سرگرمیوں کے لئے زمین کا حصول جاری ہے۔

تل بلاک (زیر انتظام مول جہاں پی او ایل کا قبل از تجارتی پیداوار حصہ ۲۵ فی صد ہے)، 3D ارضیاتی اعداد و شمار کی تشریح کی بنیاد پر دریافتی کنویں راز گیر کو مشترکہ منصوبے کے حصہ داروں نے منظور کر دیا ہے۔ کوٹ کے علاقے میں ۱۵۲.۹۳ مربع کلومیٹر کے ارضیاتی اعداد و شمار مکمل کر لئے گئے ہیں ان اعداد و شمار پر عمل جاری ہے۔

مامی خیل جنوبی-۱ کو پیداواری لائن سے منسلک کر دیا گیا ہے۔ پیداوار شروع کرنے کے لئے ۲۰۱۲ء کی پیٹرولیم پالیسی کے تحت گیس کی قیمت کے لئے حکومت کی منظوری کا انتظار ہے۔

حسال بلاک (پی پی ایل کے زیر انتظام جہاں پی او ایل کا حصہ ۲۵ فی صد ہے) 3D ارضیاتی اعداد و شمار حاصل کرنے کی منصوبہ بندی کی جا رہی ہے۔

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


ٹونگ (زیر انتظام ماری پٹرولیم جہاں پی او ایل کا حصہ ۴۰ فی صد ہے) ۳۲۰.۹۳ مربع کلومیٹر 3D ارضیاتی اعداد و شمار کا حصول مکمل ہو چکا ہے۔ ڈیٹا پروسیسنگ / تشریح پر کام جاری ہے۔

نیریلی بلاک۔ (زیر انتظام ماری پٹرولیم جہاں پی او ایل کا حصہ ۳۲ فی صد ہے) ارضیاتی اور جیو فیزیکل کام جاری ہے۔

اعتراف:

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

منجانب بورڈ



عبدالستار

ڈائریکٹر



شعیب اے ملک

چیرمین و چیف ایگزیکٹو

راولپنڈی، ۴ فروری ۲۰۲۲ء

دریافتی اور ترقیاتی سرگرمیاں:

پیداواری قطعات:

بلکسر (۱۰۰ فی صد پی او ایل کی ملکیت) بلکسر ڈیپ-۲ بلکسر ڈیپ-۱ کے متبادل کے طور پر منصوبہ بندی کے مرحلے میں ہے۔

پنڈوری (۳۵ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) میں چورنگلی کی تشکیل کے امکانات کا جائزہ جاری ہے جو کہ پہلے سے جاری 3D سیمک ڈیٹا پروسیسنگ کے انضمام کے بعد مکمل ہو جائے گا۔

تل بلاک (زیر انتظام مول جہاں قبل از تجارتی پیداواری پی او ایل کا حصہ ۲۵ فی صد ہے) مردان خیل-۳ کی جگہ کی منظوری دے دی گئی ہے۔

آہدی (زیر انتظام پاکستان پٹرولیم لمیٹڈ جہاں پی او ایل کا حصہ ۱۱ فی صد ہے) مالی سال ۲۰۲۱-۲۲ میں آہدی-۳۵ اور آہدی جنوبی-۵ اور ۶ کا منصوبہ بنایا گیا ہے۔

رتانہ فیلڈ (زیر انتظام اورینٹ پٹرولیم جہاں پی او ایل کا حصہ ۴۵.۵۴۵ فی صد ہے) رتانہ-۵ (سائیڈ ٹریک ۲) پر ڈرلنگ کرتے ہوئے ۲۹، ۷۱ میٹر کی کھدائی پر پانی کے وافر ذخیرے کی وجہ سے کنویں کو بند کرنے کی کوشش میں تاخیر ہو گئی۔ بے قابو مسائل کی وجہ سے کنویں کو بند اور ترک کر دیا گیا ہے۔

دریافتی قطعات:

اخلاص بلاک (۸۰ فی صد حصص کے ساتھ زیر انتظام پی او ایل)، جنڈیال 3D ارضیاتی اعداد و شمار پر کام پری اسٹیک ڈیٹا مائی گریشن (PSDM) تک جاری ہے۔ لنڈیال 3D ارضیاتی اعداد و شمار کے بقیہ منصوبے کو مکمل کرنے کے لئے کنٹریکٹ دے دیا گیا ہے۔

ڈی جی خان بلاک (۷۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام)، دریافتی کنویں ڈی جی کے-۱ پر ۲۰ اکتوبر ۲۰۲۱ء کو کھدائی شروع کر دی گئی ہے۔ باقی لیڈز پر کام جاری ہے۔

شمالی دھرنال بلاک (۶۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) ۱۳ اکتوبر ۲۰۲۱ء کو ایوارڈ کیا گیا۔ ارضیاتی اعداد و شمار کے جائزہ کے لئے ایک تکنیکی ورکشاپ کا انعقاد کیا گیا۔

کیرتھر جنوبی بلاک (۸۵ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام)، سندھ کے جنگلات اور جنگلی حیات کے شعبے نے علاقے میں دریافتی سرگرمیاں شروع کرنے کے لئے اجازت نامہ دے دیا ہے۔ بندھک-۱ کی جگہ اور اس تک رسائی کے لئے راستے کا سروے جاری ہے۔

## ڈائریکٹرز رپورٹ

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

السلام علیکم!

ڈائریکٹرز کو ۳۱ دسمبر، ۲۰۲۱ء کو اختتام پذیر نصف سال کے مالیاتی نتائج اور کمپنی کے امور کا خلاصہ پیش کرتے ہوئے فرحت محسوس ہو رہی ہے۔

## مالیاتی نتائج:

اس عرصے میں کمپنی نے بعد از ٹیکس ۱۰،۹۲۲.۷ ملین روپے (۳۱ دسمبر، ۲۰۲۰ء: ۶،۶۳۹ ملین روپے) منافع حاصل کیا جو گذشتہ برس اسی دورانیے کے مقابلے میں ۶۳.۳ فیصد زیادہ ہے۔ یہ منافع فی حصص آمدنی ۳۸.۴۸ روپے (۳۱ دسمبر، ۲۰۲۰ء: ۲۳.۴۲ روپے) کو ظاہر کرتا ہے۔ منافع میں اضافہ بنیادی طور پر خام تیل کی اوسط قیمت میں اضافہ سے منسوب ہے۔ حالانکہ خام تیل، گیس اور ایل پی جی کی فروخت کے حجم میں گذشتہ سال کی اسی مدت کے مقابلے میں بالترتیب ۱۱.۲ فیصد، ۹.۵ فیصد اور ۱۶.۲ فیصد کمی واقع ہوئی ہے۔ اس عرصے میں کمپنی نے مجموعی منافع بعد از ٹیکس ۱۲،۰۳۱ ملین روپے (۳۱ دسمبر، ۲۰۲۰ء : ۷،۷۲۸ ملین روپے) حاصل کیا جو فی حصص مجموعی منافع ۴۲.۳۴ روپے (۳۱ دسمبر، ۲۰۲۰ء: ۲۳.۷۶ 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:

## ششماہی مدت کا اختتام

۳۱ دسمبر، ۲۰۲۰ء	۳۱ دسمبر، ۲۰۲۱ء		
۱،۱۶۹،۱۳۱	۱،۰۵۵،۵۲۴	یو ایس بیرل	خام تیل
۱۴،۸۸۰	۱۳،۴۶۸	ملین سٹینڈرڈ کیوبک فٹ	گیس
۲۸،۹۶۰	۲۸،۳۷۸	میٹرک ٹن	مائع پٹرولیم گیس
۱۷۹	۲۶۰	میٹرک ٹن	سلفر
۸،۵۱۶	۹،۸۷۱	یو ایس بیرل	سالونٹ آئل

زیر جائزہ مدت میں کمپنی کی یومیہ پیداوار بشمول مشترکہ منصوبوں کے اوسطاً یوں رہی: خام تیل ۵،۷۳۷ بیرلز، گیس ۷۳.۲۰ ملین سٹینڈرڈ مکعب فٹ، مائع پٹرولیم گیس ۱۵۴.۲۳ میٹرک ٹن، سلفر ۱.۴۲ میٹرک ٹن اور سالونٹ آئل ۵۴ بیرلز۔



A. F. FERGUSON &amp; CO.

**Independent Auditor's Review Report to the members of Pakistan Oilfields Limited****Report on review of Interim Financial Statements****Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Pakistan Oilfields Limited as at December 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income for three month period ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2021.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Asim Masood Iqbal.

Chartered Accountants  
Islamabad

Date: February 04, 2022  
UDIN: RR202110053eFq9C2KYQ

**Condensed Interim Statement of Financial Position**

As at December 31, 2021

	Note	(Unaudited) Dec. 31, 2021	(Audited) June 30, 2021
		Rupees ('000)	
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital 500,000,000 (June 30, 2021: 500,000,000) ordinary shares of Rs 10 each		<b>5,000,000</b>	5,000,000
Issued, subscribed and paid-up capital 283,855,104 (June 30, 2021: 283,855,104) ordinary shares of Rs 10 each		<b>2,838,551</b>	2,838,551
Revenue reserves	<b>4</b>	<b>38,930,607</b>	36,523,512
		<b>41,769,158</b>	39,362,063
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		<b>887,214</b>	873,412
Deferred liabilities	<b>5</b>	<b>21,508,633</b>	19,978,319
		<b>22,395,847</b>	20,851,731
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	<b>6</b>	<b>28,089,270</b>	25,695,393
Unclaimed dividend		<b>264,795</b>	244,495
Provision for income tax		<b>10,632,281</b>	8,190,071
		<b>38,986,346</b>	34,129,959
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>7</b>		
		<b>103,151,351</b>	94,343,753



	Note	(Unaudited) Dec. 31, 2021	(Audited) June 30, 2021
		Rupees ('000)	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	6,395,698	6,680,280
Development and decommissioning costs	9	11,972,425	13,672,675
Exploration and evaluation assets	10	1,305,257	512,223
		<b>19,673,380</b>	20,865,178
<b>LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES</b>	11	<b>9,615,603</b>	9,615,603
<b>LONG TERM LOANS AND ADVANCES</b>		<b>31,532</b>	37,146
<b>CURRENT ASSETS</b>			
Stores and spares		4,735,402	4,658,543
Stock in trade		300,165	277,531
Trade debts	12	12,201,963	7,338,531
Advances, deposits, prepayments and other receivables	13	4,114,983	3,979,015
Other financial assets	14	500,032	-
Cash and bank balances	15	51,978,291	47,572,206
		<b>73,830,836</b>	63,825,826
		<b>103,151,351</b>	94,343,753

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFO

Shuaib A. Malik  
Chief Executive

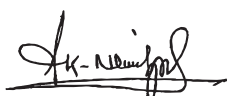
Abdus Sattar  
Director

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

For the six months period ended December 31, 2021

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Rupees ('000)					
<b>SALES</b>		<b>14,824,130</b>	9,691,040	<b>27,860,729</b>	19,340,337
Sales tax		(2,152,732)	(847,871)	(4,047,432)	(1,667,435)
Excise duty		(61,492)	(70,659)	(126,059)	(141,924)
<b>NET SALES</b>	<b>16</b>	<b>12,609,906</b>	8,772,510	<b>23,687,238</b>	17,530,978
Operating costs	<b>17</b>	(2,178,304)	(2,149,915)	(4,192,271)	(4,041,758)
Royalty		(1,315,041)	(933,981)	(2,488,378)	(1,931,940)
Amortisation of development and decommissioning costs		(627,141)	(677,580)	(1,401,095)	(1,241,240)
		(4,120,486)	(3,761,476)	(8,081,744)	(7,214,938)
<b>GROSS PROFIT</b>		<b>8,489,420</b>	5,011,034	<b>15,605,494</b>	10,316,040
Exploration costs	<b>18</b>	(107,843)	(33,593)	(558,518)	(109,231)
		8,381,577	4,977,441	15,046,976	10,206,809
Administration expenses		(55,382)	(60,504)	(121,497)	(117,612)
Finance costs - net	<b>19</b>	(934,742)	188,371	(2,397,148)	102,436
Other charges	<b>20</b>	(539,963)	(392,321)	(955,678)	(746,732)
		(1,530,087)	(264,454)	(3,474,323)	(761,908)
		6,851,490	4,712,987	11,572,653	9,444,901
Other income - net	<b>21</b>	2,017,867	242,126	4,717,741	544,775
<b>PROFIT BEFORE TAXATION</b>		<b>8,869,357</b>	4,955,113	<b>16,290,394</b>	9,989,676
Provision for taxation	<b>22</b>	(3,204,238)	(1,934,592)	(5,367,646)	(3,340,608)
<b>PROFIT FOR THE PERIOD</b>		<b>5,665,119</b>	3,020,521	<b>10,922,748</b>	6,649,068
Earnings per share					
- Basic and diluted (Rupees)		<b>19.96</b>	10.64	<b>38.48</b>	23.42

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

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

For the six months period ended December 31, 2021

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>
	Rupees ('000)			
Profit for the period	<b>5,665,119</b>	3,020,521	<b>10,922,748</b>	6,649,068
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>5,665,119</b>	3,020,521	<b>10,922,748</b>	6,649,068

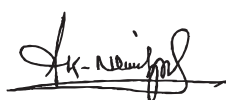
The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFOShuaib A. Malik  
Chief ExecutiveAbdus Sattar  
Director

**Condensed Interim Statement of Changes in Equity (Unaudited)**  
For the six months period ended December 31, 2021

	Share capital	Revenue reserves			Total
		Insurance reserve	Investment reserve	Unappropriated profit	
	Rupees ('000)				
Balance at June 30, 2020	2,838,551	200,000	1,557,794	35,670,525	40,266,870
Total comprehensive income for the period:					
Profit for the period	-	-	-	6,649,068	6,649,068
Other comprehensive income	-	-	-	-	-
	-	-	-	6,649,068	6,649,068
Transactions with owners:					
Final dividend @ Rs 30 per share - Year ended June 30, 2020	-	-	-	(8,515,653)	(8,515,653)
Balance at December 31, 2020	2,838,551	200,000	1,557,794	33,803,940	38,400,285
Total comprehensive income for the period:					
Profit for the period	-	-	-	6,733,187	6,733,187
Other comprehensive (loss)	-	-	-	(94,307)	(94,307)
	-	-	-	6,638,880	6,638,880
Transactions with owners:					
Interim dividend @ 20 per share - Year ended June 30, 2021	-	-	-	(5,677,102)	(5,677,102)
Balance at June 30, 2021	2,838,551	200,000	1,557,794	34,765,718	39,362,063
Total comprehensive income for the period:					
Profit for the period	-	-	-	10,922,748	10,922,748
Other comprehensive income	-	-	-	-	-
	-	-	-	10,922,748	10,922,748
Transactions with owners:					
Final dividend @ Rs 30 per share - Year ended June 30, 2021	-	-	-	(8,515,653)	(8,515,653)
<b>Balance at December 31, 2021</b>	<b>2,838,551</b>	<b>200,000</b>	<b>1,557,794</b>	<b>37,172,813</b>	<b>41,769,158</b>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

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

For the six months period ended December 31, 2021

**Six months period ended**

	Note	Six months period ended	
		Dec. 31, 2021	Dec. 31, 2020
Rupees ('000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		19,235,255	19,206,421
Operating and exploration costs paid		(3,344,121)	(3,636,663)
Royalty paid		(2,176,962)	(1,727,243)
Taxes paid		(3,362,932)	(2,727,180)
Cash provided by operating activities		10,351,240	11,115,335
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(1,264,579)	(1,904,197)
Proceeds from disposal of property, plant and equipment		6,115	23,228
Income on bank deposits and investments at amortised cost		1,075,654	1,094,785
Investments in mutual funds - net		(500,000)	(300,153)
Dividend income received		385,108	40,861
Cash used in investing activities		(297,702)	(1,045,476)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(8,495,353)	(8,495,065)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>		<b>2,847,900</b>	<b>(954,128)</b>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>4,406,085</b>	<b>620,666</b>
<b>CASH AND CASH EQUIVALENTS AT JULY 1</b>		<b>47,572,206</b>	<b>43,048,347</b>
<b>CASH AND CASH EQUIVALENTS AT DECEMBER 31</b>		<b>51,978,291</b>	<b>43,669,013</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Short term investment - at amortised cost		-	2,499,246
Cash and bank balances	15	51,978,291	41,169,767
		<b>51,978,291</b>	<b>43,669,013</b>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFOShuaib A. Malik  
Chief ExecutiveAbdus Sattar  
Director

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

For the six months period ended December 31, 2021

### 1. LEGAL STATUS AND OPERATIONS

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

### 2. BASIS OF PREPARATION

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

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

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

- The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 1177 (I)/2021 dated September 13, 2021, in partial modification of its previous S.R.O. 985(1)/2019 dated September 2, 2019, has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of expected credit loss (ECL) model shall not be applicable till June 30, 2022, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on its financial statements.

These condensed interim 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, 2021.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods for computation adopted for the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements for the year ended June 30, 2021.



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

For the six months period ended December 31, 2021

	(Unaudited) Dec. 31, 2021	(Audited) June 30, 2021
	Rupees ('000)	
<b>4. REVENUE RESERVES</b>		
Insurance reserve	200,000	200,000
Investment reserve	1,557,794	1,557,794
Unappropriated profit	37,172,813	34,765,718
	<b>38,930,607</b>	<b>36,523,512</b>
<b>5. DEFERRED LIABILITIES</b>		
Provision for deferred income tax	5,148,297	5,585,793
Provision for decommissioning costs	16,357,693	14,389,227
Provision for staff compensated absences	2,643	3,299
	<b>21,508,633</b>	<b>19,978,319</b>

## 6. TRADE AND OTHER PAYABLES

These include balances due to joint operating partners amounting to Rs 1,475,647 thousand (June 30, 2021: Rs 905,978 thousand) and balances due to related parties amounting to Rs 877,541 thousand (June 30, 2021: Rs 1,366,156 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 20,345,427 thousand (June 30, 2021: Rs 18,949,452 thousand) as explained in note 16.1.

## 7. CONTINGENCIES AND COMMITMENTS

7.1 There were no material contingencies at December 31, 2021 (June 30, 2021: Nil).

	(Unaudited) Dec. 31, 2021	(Audited) June 30, 2021
	Rupees ('000)	
<b>7.2 Commitments:</b>		
Share in joint operations	9,789,488	7,059,703
Letter of credit issued by banks on behalf of the Company	921,617	95,164

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

For the six months period ended December 31, 2021

	(Unaudited) Dec. 31, 2021	(Audited) June 30, 2021
	Rupees ('000)	
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets		
Opening net book value	6,129,343	7,056,837
Additions during the period / year	178,117	542,469
Disposals during the period / year	(589)	(3,138)
Depreciation for the period / year	(734,413)	(1,466,825)
Closing net book value	5,572,458	6,129,343
Capital work in progress - at cost	823,240	550,937
	<b>6,395,698</b>	<b>6,680,280</b>
<b>9. DEVELOPMENT AND DECOMMISSIONING COSTS</b>		
<b>Development cost</b>		
Opening net book value	12,922,884	11,857,324
Additions during the period / year	24,365	831,510
Revision due to change in estimates	(21,947)	(43,667)
Wells cost transferred from exploration and evaluation assets	-	2,555,371
Amortisation for the period / year	(1,534,216)	(2,277,654)
Closing net book value	11,391,086	12,922,884
<b>Decommissioning cost</b>		
Opening net book value	749,791	498,293
Additions during the period / year	11,830	335,429
Revision due to change in estimates	(123,251)	82,241
Amortisation for the period / year	(57,031)	(166,172)
Closing net book value	581,339	749,791
	<b>11,972,425</b>	<b>13,672,675</b>
<b>10. EXPLORATION AND EVALUATION ASSETS</b>		
Balance brought forward	512,223	2,773,514
Additions during the period / year	793,034	294,080
Wells cost transferred to development cost	-	(2,555,371)
	<b>1,305,257</b>	<b>512,223</b>



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

For the six months period ended December 31, 2021

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

	(Unaudited) December 31, 2021		(Audited) June 30, 2021	
	Percentage holding	Amount Rupees ('000)	Percentage holding	Amount Rupees ('000)
<b>Subsidiary company</b>				
Unquoted				
Capgas (Private) Limited	51	1,530	51	1,530
<b>Associated companies</b>				
Quoted				
National Refinery Limited - Note 11.1	25	8,046,635	25	8,046,635
Attock Petroleum Limited	7	1,562,938	7	1,562,938
Unquoted				
Attock Information Technology Services (Private) Limited	10	4,500	10	4,500
		<b>9,615,603</b>		<b>9,615,603</b>

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

### 12. TRADE DEBTS

These include Rs 6,272,102 thousand (June 30, 2021: Rs 3,750,557 thousand) receivable from related parties.

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

These include balances due from joint operating partners amounting to Rs 255,842 thousand (June 30, 2021: Rs 154,659 thousand) and balances due from related parties amounting to Rs 202,467 thousand (June 30, 2021: Rs 284,004 thousand).

(Unaudited) Dec. 31, 2021	(Audited) June 30, 2021
Rupees ('000)	

### 14. OTHER FINANCIAL ASSETS

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

500,032

-

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

For the six months period ended December 31, 2021

	(Unaudited) Dec. 31, 2021	(Audited) June 30, 2021
	Rupees ('000)	
<b>15. CASH AND BANK BALANCES</b>		
Bank balance on		
Short term deposits	50,726,222	44,781,900
Interest/ mark-up bearing saving accounts	1,192,070	2,696,309
Current accounts	57,127	91,446
	<b>51,975,419</b>	47,569,655
Cash in hand	2,872	2,551
	<b>51,978,291</b>	47,572,206

Balances with banks include foreign currency balances of US \$ 153,794 thousand (June 30, 2021: US \$ 142,461 thousand). The balances in saving accounts and short term deposits earned interest/mark-up ranging from 1% to 11.5% (June 30, 2021: 0.3% to 8.21%).

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
	Rupees ('000)			
<b>16. NET SALES</b>				
Crude oil/Condensate	6,812,414	3,883,387	12,799,794	7,948,449
Gas - note 16.1	3,614,555	3,559,235	7,117,156	7,295,838
Less : Shrinkages/Own use	519,838	467,812	974,896	927,090
	<b>3,094,717</b>	3,091,423	<b>6,142,260</b>	6,368,748
POLGAS - Refill of cylinders	2,635,952	1,747,725	4,610,827	3,115,460
Solvent oil	66,823	49,975	134,357	98,321
	<b>12,609,906</b>	8,772,510	<b>23,687,238</b>	17,530,978

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



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

For the six months period ended December 31, 2021

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

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to December 31, 2021 amounting to Rs 17,906,155 thousand will be accounted for upon resolution of this matter (including Rs 16,523,036 thousand related to period since inception to June 30, 2021). Additional revenue on account of enhanced gas price incentive of Rs 20,345,427 thousand including sales tax of Rs 2,956,173 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables". Sales tax of Rs 2,956,173 thousand (June 30, 2021: Rs 2,753,339 thousand) received from customer on the basis of notified prices is declared in the monthly sales tax return as well as duly deposited with Federal Board of Revenue by the Company. The amount so deposited is included in "advances, deposits, prepayments and other receivables".

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

For the six months period ended December 31, 2021

	(Unaudited)		(Unaudited)	
	Three months period ended		Six months period ended	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
	Rupees ('000)			
<b>17. OPERATING COSTS</b>				
Operating cost - own fields	<b>237,231</b>	241,835	<b>563,869</b>	436,979
- share in joint operations	<b>817,605</b>	806,933	<b>1,598,378</b>	1,661,022
Well work over	<b>30,362</b>	(25,341)	<b>57,598</b>	(17,353)
POLGAS - Cost of LPG, carriage etc.	<b>668,895</b>	629,823	<b>1,227,775</b>	1,116,129
Pumping and transportation cost	<b>21,235</b>	11,541	<b>36,112</b>	26,857
Depreciation	<b>362,402</b>	354,839	<b>731,173</b>	699,276
	<b>2,137,730</b>	2,019,630	<b>4,214,905</b>	3,922,910
Opening stock of crude oil and other products	<b>340,739</b>	410,642	<b>277,531</b>	399,205
Closing stock of crude oil and other products	<b>(300,165)</b>	(280,357)	<b>(300,165)</b>	(280,357)
	<b>2,178,304</b>	2,149,915	<b>4,192,271</b>	4,041,758
<b>18. EXPLORATION COSTS</b>				
Geological and geophysical cost	<b>107,843</b>	33,593	<b>558,518</b>	109,231
<b>19. FINANCE COSTS-NET</b>				
Provision for decommissioning cost				
- Unwinding of discount	<b>312,093</b>	275,299	<b>629,176</b>	556,289
- Exchange loss/(gain)	<b>620,382</b>	(465,025)	<b>1,764,256</b>	(661,235)
Banks' commission and charges	<b>2,267</b>	1,355	<b>3,716</b>	2,510
	<b>934,742</b>	(188,371)	<b>2,397,148</b>	(102,436)
<b>20. OTHER CHARGES</b>				
Workers' profit participation fund	<b>409,274</b>	298,779	<b>700,377</b>	581,357
Workers' welfare fund	<b>130,689</b>	93,542	<b>255,301</b>	165,375
	<b>539,963</b>	392,321	<b>955,678</b>	746,732


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

For the six months period ended December 31, 2021

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Rupees ('000)				
<b>21. OTHER INCOME-NET</b>				
<b>Income from financial assets - net</b>				
Income on bank deposits and treasury bills	<b>614,316</b>	633,089	<b>1,177,214</b>	1,137,022
Exchange gain/(loss) on financial assets	<b>1,016,306</b>	(681,367)	<b>2,847,900</b>	(954,128)
Dividend on investments in mutual funds classified as fair value through profit or loss	-	185	-	185
<b>Dividend from subsidiary and associated companies</b>	<b>206,545</b>	30,521	<b>385,108</b>	40,676
<b>Other income</b>				
Rental income (net of related expenses)	<b>70,472</b>	215,814	<b>92,712</b>	238,998
Crude oil / Gas transportation income	<b>103,955</b>	16,096	<b>197,108</b>	56,588
Gas processing fee	<b>3,693</b>	3,905	<b>2,420</b>	150
Profit on sale of property, plant and equipment	<b>988</b>	22,685	<b>5,526</b>	22,713
Profit on sale of stores and scrap	<b>920</b>	379	<b>6,346</b>	405
Fair value adjustment on investments in mutual funds classified as fair value through profit or loss	<b>32</b>	140	<b>32</b>	140
Others	<b>640</b>	679	<b>3,375</b>	2,026
	<b>2,017,867</b>	242,126	<b>4,717,741</b>	544,775
<b>22. PROVISION FOR TAXATION</b>				
Current	<b>2,957,529</b>	1,788,909	<b>5,805,322</b>	3,050,610
Deferred	<b>246,709</b>	145,683	<b>(437,676)</b>	289,998
	<b>3,204,238</b>	1,934,592	<b>5,367,646</b>	3,340,608

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

For the six months period ended December 31, 2021

**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>December 31, 2021</u>				June 30, 2021
	Level 1	Level 2	Level 3	Total	
	..... Rupees ('000) .....				
“Other financial assets classified as fair value through profit or loss”	<b>500,032</b>	-	-	<b>500,032</b>	-

<u>(Unaudited)</u>		<u>(Unaudited)</u>	
<u>Three months period ended</u>		<u>Six months period ended</u>	
Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
..... Rupees ('000) .....			

**24. TRANSACTIONS WITH RELATED PARTIES**

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

**Sale of goods and services to**

Associated Companies	<b>5,591,526</b>	3,284,434	<b>11,745,502</b>	6,791,210
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**Purchase of goods and services from**

Parent Company	<b>40,244</b>	16,590	<b>72,286</b>	29,562
Associated Companies	<b>386,581</b>	303,095	<b>614,639</b>	597,378


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

For the six months period ended December 31, 2021

	(Unaudited)		(Unaudited)	
	<u>Three months period ended</u>		<u>Six months period ended</u>	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
	Rupees ('000)			
<b>Reimbursement of expenses incurred by POL on behalf of associates</b>				
Parent Company	-	-	-	9,275
Subsidiary Company	<b>3,032</b>	2,713	<b>6,015</b>	6,118
Associated Companies	<b>7,844</b>	6,953	<b>16,358</b>	14,593
<b>Reimbursement of expenses incurred by associates on behalf of POL</b>				
Parent Company	<b>504</b>	1,840	<b>1,495</b>	2,118
Subsidiary Company	<b>2,540</b>	1,722	<b>4,367</b>	2,958
Associated Companies	<b>4,764</b>	5,622	<b>14,319</b>	14,099
<b>Rental Income</b>				
Subsidiary Company	<b>351</b>	351	<b>702</b>	702
Associated Companies	<b>1,019</b>	841	<b>2,042</b>	1,677
<b>Rental expense</b>				
Parent Company	<b>13,621</b>	12,325	<b>27,242</b>	24,208
Associated Companies	<b>1,057</b>	1,117	<b>2,114</b>	2,234
<b>Dividend paid</b>				
Parent Company	<b>4,493,860</b>	4,493,860	<b>4,493,860</b>	4,493,860
Associated Companies	<b>5,555</b>	4,145	<b>5,555</b>	4,145
<b>Dividend received</b>				
Subsidiary Company	<b>6,630</b>	2,582	<b>14,066</b>	12,737
Associated Companies	<b>199,917</b>	27,939	<b>371,042</b>	27,939
<b>Other related parties</b>				
Remuneration of key management personnel including benefits and perquisites	<b>32,684</b>	65,240	<b>96,087</b>	91,407
Dividend to key management personnel	<b>98,643</b>	95,133	<b>98,643</b>	95,133
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	<b>23,080</b>	21,602	<b>46,087</b>	45,260
Approved Contributory Provident Funds	<b>8,133</b>	7,932	<b>16,277</b>	16,265
Contribution to Workers' Profit Participation Fund	<b>409,274</b>	298,779	<b>700,377</b>	581,357

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

For the six months period ended December 31, 2021

### 25. OPERATING SEGMENTS

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

Revenue from two major customers of the Company constitutes 74% of the total revenue during the period ended December 31, 2021 (December 31, 2020: 66%).

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

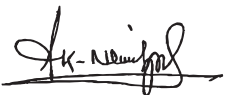
The Board of Directors in its meeting held on February 04, 2022 has declared an interim cash dividend @ Rs 20 per share, amounting to Rs 5,677,102 thousand for the year ending June 30, 2022.

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

The spread of Covid - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down at the start of 2020. This resulted in decrease in international prices of petroleum products, which are now steadily recovering. As at period end, there is no other material adverse impact to the business, financial conditions and results of operations. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

### 28. DATE OF AUTHORISATION FOR ISSUE


These condensed interim financial statements were authorized for circulation to the shareholders by the Board of Directors of the Company on February 04, 2022.



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director



**Condensed Interim Consolidated  
Financial Statements (Unaudited)**  
**For the Six months period ended December 31, 2021**

**Condensed Interim Consolidated Statement of Financial Position (Unaudited)**  
 As at December 31, 2021

	Note	(Unaudited) Dec. 31, 2021	(Audited) June 30, 2021
Rupees ('000)			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>ATTRIBUTABLE TO OWNERS OF PAKISTAN OILFIELDS LIMITED</b>			
Authorised capital		5,000,000	5,000,000
Issued, subscribed and paid-up capital		2,838,551	2,838,551
Capital reserves	5	2,027,890	2,027,876
Revenue reserves	6	41,590,957	38,087,550
Gain on remeasurement of investment at fair value through Other Comprehensive Income (OCI)		2,447	2,447
		<b>46,459,845</b>	42,956,424
<b>NON - CONTROLLING INTEREST</b>		<b>120,347</b>	122,024
		<b>46,580,192</b>	43,078,448
<b>NON CURRENT LIABILITIES</b>			
Long term deposits		1,005,677	988,759
Deferred liabilities	7	21,969,696	20,240,814
		<b>22,975,373</b>	21,229,573
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	8	28,119,846	25,719,762
Unclaimed dividend		264,795	244,495
Provision for income tax		10,644,438	8,198,905
		<b>39,029,079</b>	34,163,162
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
		<b>108,584,644</b>	98,471,183



	Note	(Unaudited) Dec. 31, 2021	(Audited) June 30, 2021
Rupees ('000)			
<b>FIXED ASSETS</b>			
Property, plant and equipment	10	6,453,228	6,722,142
Development and decommissioning costs	11	11,972,425	13,672,675
Exploration and evaluation assets	12	1,305,257	512,223
Other intangible assets		30,451	47,283
Deffered tax assets		6,878	6,878
		<b>19,768,239</b>	20,961,201
<b>LONG TERM INVESTMENT IN ASSOCIATED COMPANIES</b>			
	13	14,634,891	13,337,592
<b>LONG TERM LOANS AND ADVANCES</b>			
		31,532	37,146
<b>CURRENT ASSETS</b>			
Stores and spares		4,736,486	4,659,496
Stock in trade		339,812	298,357
Trade debts	14	12,202,486	7,339,066
Advances, deposits, prepayments and other receivables	15	4,145,992	4,014,389
Other financial assets	16	500,032	-
Short term investment - at amortized cost		152,064	99,960
Cash and bank balances	17	52,073,110	47,723,976
		<b>74,149,982</b>	64,135,244
		<b>108,584,644</b>	98,471,183

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFO

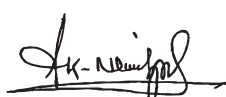
Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director

**Condensed Interim Consolidated Statement of Profit or Loss (Unaudited)**  
For the Six months period ended December 31, 2021

	Note	Three months period ended		Six months period ended	
		Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Rupees ('000)					
<b>SALES</b>		<b>13,889,571</b>	9,973,657	<b>28,602,956</b>	19,849,079
Sales tax		(866,621)	(890,076)	(4,157,048)	(1,743,543)
Excise duty		(66,464)	(70,659)	(126,059)	(141,924)
<b>NET SALES</b>	<b>18</b>	<b>12,956,486</b>	9,012,922	<b>24,319,849</b>	17,963,612
Operating costs	<b>19</b>	(2,504,265)	(2,377,310)	(4,778,555)	(4,463,525)
Royalty		(1,315,041)	(933,981)	(2,488,378)	(1,931,940)
Amortisation of development and decommissioning costs		(627,141)	(677,580)	(1,401,095)	(1,241,240)
		(4,446,447)	(3,988,871)	(8,668,028)	(7,636,705)
<b>GROSS PROFIT</b>		<b>8,510,039</b>	5,024,051	<b>15,651,821</b>	10,326,907
Exploration costs	<b>20</b>	(107,843)	(33,593)	(558,518)	(109,231)
		<b>8,402,196</b>	4,990,458	<b>15,093,303</b>	10,217,676
Administration expenses		(61,593)	(66,244)	(135,187)	(129,561)
Finance costs - net	<b>21</b>	(934,749)	188,371	(2,397,158)	102,427
Other charges	<b>22</b>	(541,462)	(393,168)	(958,590)	(747,579)
		(1,537,804)	(271,041)	(3,490,935)	(774,713)
Other income - net	<b>23</b>	<b>6,864,392</b>	4,719,417	<b>11,602,368</b>	9,442,963
		<b>1,813,523</b>	221,847	<b>4,337,086</b>	517,468
Share in profits of associated companies		<b>8,677,915</b>	4,941,264	<b>15,939,454</b>	9,960,431
		<b>2,123,073</b>	48,037	<b>1,668,406</b>	153,601
<b>PROFIT BEFORE TAXATION</b>		<b>10,800,988</b>	4,989,301	<b>17,607,860</b>	10,114,032
Provision for taxation	<b>24</b>	(3,501,826)	(1,957,055)	(5,576,885)	(3,365,954)
<b>PROFIT FOR THE PERIOD</b>		<b>7,299,162</b>	3,032,246	<b>12,030,975</b>	6,748,078
Attributable to:					
Owners of POL		<b>7,293,958</b>	3,025,844	<b>12,019,138</b>	6,745,656
Non - controlling interests		<b>5,204</b>	6,402	<b>11,837</b>	2,422
		<b>7,299,162</b>	3,032,246	<b>12,030,975</b>	6,748,078
Earnings per share - Basic and diluted (Rs)		<b>25.70</b>	10.66	<b>42.34</b>	23.76

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director



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

For the six months period ended December 31, 2021

	<u>Three months period ended</u>		<u>Six months period ended</u>	
	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>
	Rupees ('000)			
<b>PROFIT FOR THE PERIOD</b>	<b>7,299,162</b>	3,032,246	<b>12,030,975</b>	6,748,078
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Share of other comprehensive (loss)/ income of associated companies - net of tax	-	-	(64)	66
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>7,299,162</b>	3,032,246	<b>12,030,911</b>	6,748,144
Attributable to:				
Owners of POL	<b>7,293,958</b>	3,025,844	<b>12,019,074</b>	6,745,722
Non - controlling interests	<b>5,204</b>	6,402	<b>11,837</b>	2,422
	<b>7,299,162</b>	3,032,246	<b>12,030,911</b>	6,748,144

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFO

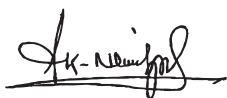
Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director

**Condensed Interim Consolidated Statement of Changes in Equity (Unaudited)**  
For the six months period ended December 31, 2021

	Attributable to owners of Pakistan Oilfields Limited										
	Capital Reserves				Revenue Reserves				Total	Non-controlling interest	Total
	Share Capital	Bonus shares issued by subsidiary/ associated companies	Special reserve	Utilised Special Reserve	Insurance reserve	General reserve	Unappropriated profit	Gain on revaluation of investment at fair value			
	Rupees ('000)										
Balance at June 30, 2020	2,838,551	71,395	15,429	1,941,044	200,000	7,077,325	29,706,730	3,236	41,853,710	127,574	41,981,284
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	6,745,656	-	6,745,656	2,422	6,748,078
Other comprehensive income	-	-	-	-	-	-	66	-	66	-	66
Transfer to special reserve by an associated company	-	-	7	-	-	-	(7)	-	-	-	-
Transactions with owners:											
POL dividends:											
Final cash dividend @ Rs 30 per share - Year ended June 30, 2020	-	-	-	-	-	-	(8,515,653)	-	(8,515,653)	-	(8,515,653)
Dividend to CAPGAS non-controlling interest holders:											
Final cash dividend @ Rs 29.5 per share - Year ended June 30, 2020	-	-	-	-	-	-	-	-	-	(9,757)	(9,757)
Interim dividend @ Rs 7.5 per share - Year ended June 30, 2021	-	-	-	-	-	-	-	-	-	(2,481)	(2,481)
	-	-	-	-	-	-	(8,515,653)	-	(8,515,653)	(12,238)	(8,527,891)
Balance at December 31, 2020	2,838,551	71,395	15,436	1,941,044	200,000	7,077,325	27,936,792	3,236	40,083,779	117,758	40,201,537
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	8,649,443	-	8,649,443	4,729	8,654,172
Other comprehensive income	-	-	-	-	-	-	(98,907)	(789)	(99,696)	(463)	(100,159)
Transfer to special reserve by associated companies	-	-	1	-	-	-	(1)	-	-	-	-
Transactions with owners:											
POL dividend:											
Interim dividend @ Rs 20 per share - Year ended June 30, 2021	-	-	-	-	-	-	(5,677,102)	-	(5,677,102)	-	(5,677,102)
Balance at June 30, 2021	2,838,551	71,395	15,437	1,941,044	200,000	7,077,325	30,810,225	2,447	42,956,424	122,024	43,078,448
Total comprehensive income for the period:											
Profit for the period	-	-	-	-	-	-	12,019,138	-	12,019,138	11,837	12,030,975
Other comprehensive income	-	-	-	-	-	-	(64)	-	(64)	-	(64)
Transfer to special reserve by an associated company	-	-	14	-	-	-	(14)	-	-	-	-
Transactions with owners:											
POL dividend:											
Final dividend @ Rs 30 per share - Year ended June 30, 2021.	-	-	-	-	-	-	(8,515,653)	-	(8,515,653)	-	(8,515,653)
Dividend to CAPGAS non-controlling interest holders:											
Final cash dividend @ Rs 21.6 per share - Year ended June 30, 2021	-	-	-	-	-	-	-	-	-	(7,144)	(7,144)
Interim dividend @ Rs 19.26 per share - Year ended June 30, 2022	-	-	-	-	-	-	-	-	-	(6,370)	(6,370)
Total transactions with owners	-	-	-	-	-	-	(8,515,653)	-	(8,515,653)	(13,514)	(8,529,167)
<b>Balance at December 31, 2021</b>	<b>2,838,551</b>	<b>71,395</b>	<b>15,451</b>	<b>1,941,044</b>	<b>200,000</b>	<b>7,077,325</b>	<b>34,313,632</b>	<b>2,447</b>	<b>46,459,845</b>	<b>120,347</b>	<b>46,580,192</b>

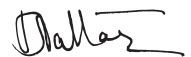
The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.



Khalid Nafees  
CFO



Shuaib A. Malik  
Chief Executive



Abdus Sattar  
Director

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

For the six months period ended December 31, 2021

	Note	Six months period ended	
		Dec. 31, 2021	Dec. 31, 2020
Rupees ('000)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		19,879,551	19,650,461
Operating and exploration costs paid		(3,922,505)	(4,063,697)
Royalty paid		(2,176,962)	(1,727,243)
Taxes paid		(3,369,617)	(2,733,128)
Cash provided by operating activities		10,410,467	11,126,393
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(1,284,750)	(1,904,382)
Proceeds from disposal of property, plant and equipment		6,115	23,228
Investments in mutual funds - net		(500,000)	(300,153)
Purchase of LPG quota		(17,222)	-
Income on bank deposits and investments at amortised cost		1,075,654	1,094,785
Dividend income received		371,042	28,124
Cash used in investing activities		(349,161)	(1,058,398)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(8,508,868)	(8,507,303)
<b>EFFECT OF EXCHANGE RATE CHANGES</b>		2,847,900	(954,128)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		4,400,338	606,564
<b>CASH AND CASH EQUIVALENTS AT JULY 01,</b>		47,824,836	43,308,022
<b>CASH AND CASH EQUIVALENTS AT DEC. 31,</b>		52,225,174	43,914,586
<b>CASH AND CASH EQUIVALENTS</b>			
Short term investment - at amortised cost		152,064	-
Cash and bank balances	17	52,073,110	43,914,586
		52,225,174	43,914,586

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

Khalid Nafees  
CFOShuaib A. Malik  
Chief ExecutiveAbdus Sattar  
Director

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

For the six months period ended December 31, 2021

### 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, 2021: 51%).

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

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

Material intra-group balances and transactions have been eliminated.

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

### 3. BASIS OF PREPARATION

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

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

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

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

For the six months period ended December 31, 2021

- 'The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 1177 (I)/2021 dated September 13, 2021, in partial modification of its previous S.R.O. 985(1)/2019 dated September 2, 2019, has notified that in respect of companies holding financial assets due from the Government of Pakistan (GoP) in respect of circular debt, the requirements contained in IFRS 9 with respect to application of expected credit loss (ECL) model shall not be applicable till June 30, 2022, provided that such companies shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement' in respect of above referred financial assets during the exemption period. The Company has assessed that the above SRO does not have any significant impact on its financial statements.

These condensed interim consolidated financial statements do not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2021.

#### 4. SIGNIFICANT ACCOUNTING POLICES

The accounting policies and methods for computation adopted for the preparation of this condensed interim consolidated financial statements are the same as those applied in preparation of the financial statements for the year ended June 30, 2021.

	(Unaudited) Dec. 31, 2021	(Audited) June 30, 2021
	Rupees ('000)	
<b>5. CAPITAL RESERVES</b>		
Bonus shares issued by subsidiary/associated companies	71,395	71,395
Special reserve	15,451	15,437
Utilised special reserve	1,941,044	1,941,044
	<b>2,027,890</b>	<b>2,027,876</b>
<b>6. REVENUE RESERVES</b>		
Insurance reserve	200,000	200,000
General reserve	7,077,325	7,077,325
Unappropriated profit	34,313,632	30,810,225
	<b>41,590,957</b>	<b>38,087,550</b>
<b>7. Deferred liabilities</b>		
Provision for deferred income tax	5,347,530	5,840,426
Provision for decommissioning cost	16,357,693	14,389,227
Provision for gratuity	7,197	7,862
Provision for staff compensated absences	2,643	3,299
	<b>21,715,063</b>	<b>20,240,814</b>
<b>8. TRADE AND OTHER PAYABLES</b>		

These include balances due to joint venture partners amounting to Rs 1,475,647 thousand (June 30, 2021: Rs 905,978 thousand) and balances due to related parties amounting to Rs 876,971 thousand (June 30, 2021: Rs 1,142,218 thousand).

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

For the six months period ended December 31, 2021

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 20,345,427 thousand (June 30, 2021: Rs 18,949,452 thousand) as explained in note 18.1.

### 9. CONTINGENCIES AND COMMITMENTS

9.1 There were no material contingencies at December 31, 2021 (June 30, 2021: Nil).

	<b>(Unaudited)</b> <b>Dec. 31, 2021</b>	<b>(Audited)</b> <b>June 30, 2021</b>
	Rupees ('000)	

#### 9.2 Commitments:

Share in Joint Operations	9,789,488	7,059,703
Letter of credit issued by banks on behalf of the company	921,617	95,164

### 10. PROPERTY, PLANT AND EQUIPMENT

#### Operating assets

Opening net book value	6,170,079	7,106,486
Additions during the period/year	193,560	542,703
Disposals during the period/year	(589)	(3,145)
Depreciation for the period/year	(738,919)	(1,475,965)
Closing net book value	5,624,131	6,170,079
Capital work in progress - at cost	829,096	552,063
	6,453,227	6,722,142

### 11. DEVELOPMENT AND DECOMMISSIONING COSTS

#### Development cost

Opening net book value	12,922,884	11,857,324
Additions during the period/year	24,365	831,510
Revision due to change in estimates	(21,947)	(43,667)
Well cost transferred from exploration and evaluation assets	-	2,555,371
Amortization for the period/year	(1,534,216)	(2,277,654)
Closing net book value	11,391,086	12,922,884

#### Decommissioning cost

Opening net book value	749,791	498,293
Additions during the period/year	11,830	335,429
Revision due to change in estimates	(123,251)	82,241
Amortization for the period/year	(57,031)	(166,172)
Closing net book value	581,339	749,791
	11,972,425	13,672,675



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

For the six months period ended December 31, 2021

	(Unaudited) Dec. 31, 2021	(Audited) June 30, 2021
	Rupees ('000)	
<b>12. EXPLORATION AND EVALUATION ASSETS</b>		
Balance brought forward	512,223	2,773,514
Additions during the period/year	793,034	294,080
Well cost transferred to development costs	-	(2,555,371)
	<b>1,305,257</b>	512,223
<b>13. LONG TERM INVESTMENT IN ASSOCIATED COMPANIES - EQUITY METHOD</b>		
Beginning of the year	13,337,592	10,969,009
Share in loss of associated companies	1,104,235	793,414
Share of other comprehensive income of associated companies	(64)	(4,842)
Impairment reversal against investment in NRL	564,171	1,625,412
Dividend received during the period / year	(371,043)	(45,401)
End of the period / year	<b>14,634,891</b>	13,337,592
<b>14. TRADE DEBTS</b>		
These include Rs 6,272,102 thousand (June 30, 2021: Rs 3,750,557 thousand) receivable from related parties.		
<b>15. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
These include balances due from joint venture partners amounting to Rs 255,842 thousand (June 30, 2021: Rs 154,659 thousand) and balances due from related parties amounting to Rs 202,324 thousand (June 30, 2021: Rs 284,004 thousand).		
<b>16. OTHER FINANCIAL ASSETS</b>		
Investments in mutual funds classified as fair value through profit or loss	500,032	-
<b>17. CASH AND BANK BALANCES</b>		
Bank balance on:		
Interest/mark-up bearing saving accounts	1,286,766	2,847,873
Short term deposits	50,726,222	44,781,900
Current accounts	57,196	91,609
	<b>52,070,184</b>	47,721,382
Cash in hand	2,926	2,594
	<b>52,073,110</b>	47,723,976

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

For the six months period ended December 31, 2021

Balances with banks include foreign currency balances of US \$ 153,794 thousand (June 30, 2021: US \$ 142,461 thousand). The balances in saving accounts and short term deposits earned interest/mark-up ranging from 1% to 11.5% (June 30, 2021: 0.3% to 8.21%).

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
	Rupees ('000)			
<b>18. NET SALES</b>				
Crude oil/Condensate	<b>6,812,414</b>	3,883,387	<b>12,799,794</b>	7,948,449
Gas - note 18.1	<b>3,614,555</b>	3,559,235	<b>7,117,156</b>	7,295,838
Less: Shrinkages/own use	<b>519,838</b>	467,812	<b>974,896</b>	927,090
	<b>3,094,717</b>	3,091,423	<b>6,142,260</b>	6,368,748
POLGAS/Cap Gas - Refill of cylinders	<b>2,982,532</b>	1,988,137	<b>5,243,438</b>	3,548,094
Solvent oil	<b>66,823</b>	49,975	<b>134,357</b>	98,321
	<b>12,956,486</b>	9,012,922	<b>24,319,849</b>	17,963,612

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

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

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

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

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

For the six months period ended December 31, 2021

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honorable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect. The case came up for hearing on June 12, 2019 but was adjourned on the request of legal counsel of the Government. The Islamabad High Court had fixed March 19, 2020 as next date of hearing, but the hearing was cancelled due to preventive measures taken in the courts amid Coronavirus. The case again came up for hearing on March 17, 2021 before the Honourable Chief Justice of Islamabad High Court, who passed the order for appearance of Secretary Petroleum (Gas Division) on April 20, 2021. The Islamabad High Court did not fix the case on April 20, 2021 due to Covid-19 SOP being observed in Islamabad High Court, Islamabad. The Islamabad High Court has fixed February 10, 2022 as next date of hearing.

On prudent basis additional revenue (net of sales tax) on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to December 31, 2021 amounting to Rs 17,906,155 thousand will be accounted for upon resolution of this matter (including Rs 16,523,036 thousand related to period since inception to June 30, 2021). Additional revenue on account of enhanced gas price incentive of Rs 20,345,427 thousand including sales tax of Rs 2,956,173 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables". Sales tax of Rs 2,956,173 thousand (June 30, 2021: Rs 2,753,339 thousand) received from customer on the basis of notified prices is declared in the monthly sales tax return as well as duly deposited with Federal Board of Revenue by the Company. The amount so deposited is included in "advances, deposits, prepayments and other receivables".

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Rupees ('000)				
<b>19. OPERATING COSTS</b>				
Operating cost - Own fields	<b>247,171</b>	249,453	<b>580,118</b>	450,974
- Share in joint operations	<b>817,605</b>	806,933	<b>1,598,378</b>	1,661,022
Well workover	<b>30,362</b>	(25,341)	<b>57,598</b>	(17,353)
POLGAS/Cap Gas -Cost of LPG, carriage etc	<b>977,823</b>	836,645	<b>1,778,091</b>	1,499,986
Pumping and transportation cost	<b>21,235</b>	11,541	<b>36,112</b>	26,857
Depreciation	<b>381,864</b>	371,885	<b>769,713</b>	734,792
	<b>2,475,776</b>	2,250,832	<b>4,820,010</b>	4,356,278
Opening stock of crude oil and other products	<b>368,301</b>	423,725	<b>298,357</b>	404,494
Closing stock of crude oil and other products	<b>(339,812)</b>	(297,247)	<b>(339,812)</b>	(297,247)
	<b>2,504,265</b>	2,377,310	<b>4,778,555</b>	4,463,525

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

For the six months period ended December 31, 2021

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Rupees ('000)				
<b>20. EXPLORATION COSTS</b>				
Geological and geophysical cost	<b>107,843</b>	33,593	<b>558,518</b>	109,231
<b>21. FINANCE COSTS - NET</b>				
Provision for decommissioning cost				
- unwinding of discount	<b>312,093</b>	275,299	<b>629,176</b>	556,289
- exchange loss/(gain)	<b>620,382</b>	(465,025)	<b>1,764,256</b>	(661,235)
Banks' commission and charges	<b>2,274</b>	1,355	<b>3,726</b>	2,519
	<b>934,749</b>	(188,371)	<b>2,397,158</b>	(102,427)
<b>22. OTHER CHARGES</b>				
Workers' profit participation fund	<b>410,104</b>	299,393	<b>702,231</b>	581,971
Workers' welfare fund	<b>131,358</b>	93,775	<b>256,359</b>	165,608
	<b>541,462</b>	393,168	<b>958,590</b>	747,579
<b>23. OTHER INCOME - NET</b>				
<b>Income from financial assets</b>				
Income on bank saving accounts, deposits and investments carried at amortised cost	<b>618,479</b>	638,045	<b>1,185,277</b>	1,144,309
Exchange gain/(loss) on financial assets	<b>1,016,306</b>	(681,367)	<b>2,847,900</b>	(954,128)
Dividend on investments in mutual funds classified as fair value through profit or loss	-	185	-	185
<b>Other income</b>				
Rental income	<b>69,419</b>	215,814	<b>92,010</b>	238,998
Crude oil transportation income	<b>103,955</b>	16,096	<b>197,108</b>	56,588
Gas processing fee	<b>3,693</b>	3,905	<b>2,420</b>	150
Gain on sale of property, plant and equipment	<b>988</b>	22,685	<b>5,526</b>	22,713
Gain on sale of stores and scrap	<b>920</b>	379	<b>6,346</b>	405
Fair value adjustment on investments classified as fair value through profit or loss	<b>32</b>	140	<b>32</b>	140
Others	<b>(269)</b>	5,965	<b>467</b>	8,108
	<b>1,813,523</b>	221,847	<b>4,337,086</b>	517,468

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

For the six months period ended December 31, 2021

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months period ended</b>		<b>Six months period ended</b>	
	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2020</b>
	Rupees ('000)			
<b>24. PROVISION FOR TAXATION</b>				
Current	<b>2,962,011</b>	1,792,515	<b>5,815,333</b>	3,057,099
Deferred	<b>539,815</b>	164,540	<b>(238,448)</b>	308,855
	<b>3,501,826</b>	1,957,055	<b>5,576,885</b>	3,365,954

**25. 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;

	<b>December 31, 2021</b>				June 30, 2021
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>	
	Rupees ('000)				
“Other financial assets classified as fair value through profit or loss”	<b>500,032</b>	-	-	<b>500,032</b>	-

**26. TRANSACTIONS WITH RELATED PARTIES**

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

	<b>(Unaudited)</b>		<b>(Unaudited)</b>	
	<b>Three months period ended</b>		<b>Six months period ended</b>	
	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2020</b>	<b>Dec. 31, 2021</b>	<b>Dec. 31, 2020</b>
	Rupees ('000)			
<b>Sales of goods and services to:</b>				
Associated companies	<b>5,591,526</b>	3,284,434	<b>11,745,502</b>	6,791,210
<b>Purchase of goods and services from:</b>				
Parent company	<b>40,244</b>	16,590	<b>72,286</b>	29,562
Associated companies	<b>386,581</b>	303,095	<b>614,639</b>	597,378

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

For the six months period ended December 31, 2021

	(Unaudited) Three months period ended		(Unaudited) Six months period ended	
	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
	Rupees ('000)			
<b>Reimbursement of expenses incurred by associates on behalf of POL</b>				
Parent company	-	-	-	9,275
Associated companies	7,844	6,953	16,358	14,593
<b>Rental Income</b>				
Associated companies	1,019	841	2,042	1,677
<b>Rental expenses</b>				
Parent company	13,621	12,325	27,242	24,208
Associated companies	1,057	1,117	2,114	2,234
<b>Dividend paid during the period:</b>				
Parent company	4,493,860	4,493,860	4,493,860	4,493,860
Associated companies	5,555	4,145	5,555	4,145
<b>Dividend received during the period:</b>				
Associated companies	199,917	27,939	371,042	27,939
<b>Other related parties:</b>				
Remuneration to key management personnel including benefits and perquisites	32,684	65,240	96,087	91,407
Dividend to key management personnel	98,643	95,133	98,643	95,133
Contribution to staff retirement benefits plans				
Management Staff Pension Fund and Gratuity Fund	23,080	21,602	46,087	45,260
Approved Contributory Provident Funds	8,133	7,932	16,277	16,265
Contribution to Workers' Profit Participation Fund	410,104	299,393	702,231	581,971



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

For the six months period ended December 31, 2021

### 27. 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 18.

Revenue from two major customers of the Company constitutes 73% of the total revenue during the period ended December 31, 2021 (December 31, 2020: 64%).

### 28. NON-ADJUSTING ITEM AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in its meeting held on February 04, 2022 has declared an interim cash dividend @ Rs 20 per share, amounting to Rs 5,677,102 thousand for the year ending June 30, 2022.

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

The spread of Covid - 19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down at the start of 2020. This resulted in decrease in international prices of petroleum products, which are now steadily recovering. As at period end, there is no other material adverse impact to the business, financial conditions and results of operations. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

### 30. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for circulation to the shareholders by the Board of Directors of the Company on February 04, 2022.

Khalid Nafees  
CFO

Shuaib A. Malik  
Chief Executive

Abdus Sattar  
Director

## Shareholding in Exploration Licenses and D&P / Mining Leases

Exploration License	Operator	Interest %
Ikhlas	Pakistan Oilfields Limited	80.00
Kirthar South	Pakistan Oilfields Limited	85.00
D.G. Khan	Pakistan Oilfields Limited	70.00
North Dhurnal	Pakistan Oilfields Limited	60.00
Gurgalot	Oil & Gas Development Company Limited	20.00
Tal Block	MOL Pakistan Oil and Gas Co. B.V	25.00
Margala	MOL Pakistan Oil and Gas Co. B.V	30.00
Hisal	Pakistan Petroleum Limited	25.00
Nareli	Mari Petroleum Company Limited	32.00
Taung	Mari Petroleum Company Limited	40.00

### D&P / Mining Lease

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

\* Pre-Commerciality interest





## Pakistan Oilfields Limited

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