

Unlocking POTENTIAL



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Vision

To maintain PPL's position as the premier producer of hydrocarbons in the country by exploiting conventional and unconventional oil and gas resources, resulting in value addition to shareholders' investment and the nation as a whole.

Mission

To sustain long term growth by pursuing an aggressive hydrocarbons exploration and production optimization program in the most efficient manner through a team of professionals deploying latest technology, maintaining the highest standards of quality, health, safety & environment (QHSE) protection and addressing community development needs.

Core values

- Promote Leadership, Empowerment and Accountability.
- Pursue Highest Standards of Integrity.
- Value people as the most important resource.
- Promote innovation and value creation.
- Ensure excellence in all spheres of performance.
- Advocate Teamwork aligned with business objectives.
- Conserve Environment by minimizing carbon footprint.

Company Information

Board of Directors

- Mr. Waqar A. Malik - Chairman (Independent, Non-Executive Director)
- Mr. Syed Wamiq Bokhari (Chief Executive Officer / Managing Director)
- Mr. Aftab Nabi (Independent, Non-Executive Director)
- Mr. Arshad Mirza (Non-Executive Director)
- Mr. Asif Baigmohamed (Independent, Non-Executive Director)
- Mr. Imtiaz Hussain Zaidi (Independent, Non-Executive Director)
- Mr. Muhammad Ashraf Iqbal Baluch (Independent, Non-Executive Director)
- Mr. Nadeem Mumtaz Qureshi (Independent, Non-Executive Director)
- Mr. Saeedullah Shah (Non-Executive Director)

Company Secretary

Mr. Saqib Ahmed

Auditors

A.F. Ferguson & Co., Chartered Accountants

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Shares Registrar

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Legal Advisors

SurrIDGE & BeechENO

Directors' Interim Review

Your directors are pleased to present the unaudited condensed interim financial statements for the half year ended December 31, 2015 and a brief review of the Company's operations.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational Highlights

The key operational highlights for the half year ended December 31, 2015 are as follows:

Discoveries

As compared to four discoveries in the corresponding period, five discoveries have been made during the period under review; two in Gambat South Block (ninth exploratory well Kabir X-1 and tenth exploratory well Hatim X-1) and one each in Hala Block (fourth exploratory well Fazl X-1), Dhok Sultan Block (first exploratory well Dhok Sultan X-1) and Latif Block (exploratory well Latif South-1).

Seismic Activities

In PPL Operated blocks, 2D and 3D seismic acquisitions of 851 Line Km and 733 Sq. Km respectively were carried out representing decrease by 6% in 2D and 27% in 3D seismic in comparison to the corresponding period.

Drilling Activities

In PPL operated blocks, five wells (three exploratory and two development wells) were spud in during the current period, as compared to six wells (three exploratory and three development wells) during the corresponding period.

Financial Highlights

The key financial results of the Company during the half year ended December 31, 2015 are as follows:

	Half year ended December 31, 2015	Half year ended December 31, 2014
	Rs Million	
Sales revenue (net)	41,118	57,811
Profit before taxation	15,995	33,106
Taxation	(4,237)	(10,967)
Profit after taxation	11,758	22,139
Basic and Diluted Earnings Per Share (Rs)	5.96	11.23

Sales revenue

Sales revenue decreased by Rs 16,693 million during the current period as compared to the corresponding period. Negative variance on account of crude oil price amounting to Rs 20,537 million was partially offset by positive exchange rate variance of Rs 3,402 million and positive volume variance of Rs 442 million.

Positive volume variance is attributable to the combined effect of 4% increase in gas sales

Directors' Interim Review

volumes, 15% increase in LPG volumes, partially offset by 6% decrease in oil sales volumes. Gas sales volumes increased due to higher production from Sui, Kandhkot, Adhi, Miano, Tal, Latif, Chachar, Hala and Nashpa fields, and commencement of production from Gambat South during March 2015, partially offset by decline in gas sales volumes from Qadirpur and Sawan fields. Higher LPG sales volumes are due to increase in production from Tal and Adhi fields. Unfavourable oil sales volume variance is due to decline in oil volumes from Tal, Hala, Adhi, Nashpa and Ghauri fields.

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

	Unit	Half year ended December 31, 2015	Half year ended December 31, 2014
Natural Gas	MMCF	138,471	132,892
Crude Oil / Natural Gas Liquids (NGL) / Condensate	BBL	2,601,013	2,757,986
Liquefied Petroleum Gas (LPG)	Tonnes	30,531	26,521

Profitability

In addition to decline in sales revenue, profitability of the Company has also decreased, mainly due to increase in field expenditures by Rs 2,534 million, which is around 15% higher as compared to the corresponding period. Major reason for increase in field expenditures is due to dry hole cost of well Nooriabad X-1 in Jungshahi, well Jhim X-1 in Jati, well Duljan East in Gambat and well Misribhambro X-1 in South West Miano II.

In addition to the above, profitability was impacted because the Company booked a non-cash charge to income due to an impairment loss of Rs 2,207 million, recognized by the Company on its investment in PPL Europe E&P Limited. The main reason for the loss is decline in crude oil prices. For details please refer note 6.1 to the unconsolidated condensed interim financial statements and note 6.2 to the consolidated condensed interim financial statements.

Interim Dividend

The Board of Directors in their meeting held on February 16, 2016, have approved interim dividend for the year ending June 30, 2016 at Rs 2.25 per share (i.e., 22.5%) on fully paid ordinary shares and Rs 2.25 per share (i.e., 22.5%) on fully paid convertible preference shares.

CORPORATE STRATEGY AND FOCUS AREAS

The operations of the Company are in line with the Corporate Strategy, to enhance exploration and drilling activities and to optimise production.

Exploration

The Exploration Directorate consists of three Assets namely North, South and Frontier Assets. At present, the Company's portfolio consists of forty seven exploratory blocks, out of which

twenty seven are PPL operated (including Block-8 in Iraq being operated by PPL Asia) and remaining twenty, including three offshore blocks in Pakistan and two onshore blocks in Yemen, are partner operated. New and ongoing activities that took place during the current period are as follows:

Exploration South Assets

In Shah Bandar Block, 3D seismic survey is in progress.

Exploratory well Nooriabad X-1 was plugged & abandoned as dry hole in Jungshahi Block.

In Gambat South Block, 10th exploratory well Hatim X-1, spud in October 2015, was completed as a gas & condensate producer. 11th exploratory well Hadi X-1 was spud in December 2015 and currently drilling is in progress. Further, seismic crew has been mobilised for 3D seismic survey.

In Hala and Kotri Blocks, preparations are underway to spud in 5th exploratory well Bashar X-1 and 1st exploratory well Kotri X-1, respectively.

Exploration North Assets

3D seismic survey has been completed in Sadiqabad Block. Preparations are underway to spud-in two exploratory wells.

1st exploratory well Dhok Sultan X-1 was completed as an Oil producer in Dhok Sultan Block.

In Zindan Block, 1st exploratory well Lakki X-1 was spud in November 2015. Due to discouraging results, the well was plugged and abandoned in January 2016.

Seismic crew has been mobilised for 2D seismic survey in Hisal Block.

In Karsal Block, preparations are underway to spud in 1st exploration well.

Exploration Frontier Assets

2D seismic survey has been completed in Bela West Block, while 2D seismic survey is in progress in Hub Block.

In Kharan and Barkhan Blocks, preparations are underway to spud in 1st exploratory well Kharan X-1 and 2nd exploratory well Miriwah East X-1, respectively.

Partner-Operated Areas

In Ghauri Block, 3D seismic data acquisition is in progress, while seismic crew has been mobilised in Kirthar Block.

2nd exploratory well Kundan-1 was spud in Jati Block in October 2015 and currently drilling is in progress.

Drilling of exploratory wells Makori Deep-1, Tolanj South-1 and Tolanj West-1 in Tal Block is in progress. Moreover, gravity survey in the block is in progress.

In Nashpa Block, drilling of exploratory well Shawa-1 and testing of well Nashpa X-5 is in progress. Moreover, gravity survey in the block has been completed.

In Latif Block, exploratory well Latif South-1 was completed as a gas discovery.

Directors' Interim Review

PRODUCING FIELDS AND DEVELOPMENT

Sui Asset

Drilling of well Sui-96 was completed and commissioning is in progress. Workovers of wells Sui-91, Sui-85 and Sui-33 have been successfully completed, whereas, workover of well Sui-80 is in progress. Further, tie-in for testing of SUL and HRL into SML suction header has been successfully completed and desired results achieved. In addition, revamping of five (out of seven) SML compressors has been completed.

Kandhkot Asset

Rig is being mobilised to spud in development well KDT-33(H), which is planned to be drilled as a horizontal well in Habib Rahi Limestone reservoir. Further, intervention was carried out at well KDT-18(M), which resulted in incremental production of around 5 MMscfd.

Adhi Asset

Development wells Adhi-24(T/K) and Adhi-23(T/K) were successfully drilled to the target depth and rigs were released in September and November 2015, respectively. Construction of feeder lines was also completed and well was tied-in with the plant. Further, well Adhi-25(T/K) was spud in October 2015 and currently drilling is in progress. First gas of Adhi NGL/LPG Plant-III was achieved as part of commissioning activities in November 2015. Commissioning of the plant is in progress.

Gambat South / Hala / Mazarani Assets

In Gambat South Asset, upgradation of Gas Processing Facility (GPF)-I project is progressing as per schedule, with target completion in May, 2016. Consignment of major process related equipment for GPF-II project has been delivered. Bids for GPF-III project have been received and are under evaluation. Applications have been submitted to DGPC for Declaration of Commerciality (DoC) and Development and Production Lease (D&PL) at Wafiq, Nasr & Sharf discoveries.

Further, Asia Resources Oil Limited (AROL), a Working Interest Owner holding 10% share in Gambat South Block, had failed to pay its share of cash calls due in accordance with the Joint Operating Agreement (JOA). Consequently, default procedure was invoked on September 22, 2015 in accordance with the provisions of JOA, which will result in forfeiture and acquisition of AROL's 10% share, by PPL (65% share) and GHPL (25% share) in accordance with the JOA.

Similar procedure has been initiated by PPL in respect of Naushahro Firoz and Kotri North Blocks where PPL's and AROL's shares are 90% and 10%, respectively. PPL has sought approval from the Government of Pakistan (GoP) on December 23, 2015 for forfeiture and acquisition of AROL's 10% Working Interest in each of the above mentioned Blocks. Approval is now awaited from the GoP.

In Hala Asset, FEED study for GPF-II has been initiated and planned to be completed by next quarter.

In Mazarani Asset, location of development well Mazarani-5 has been finalised and the well is planned to be spud in by April 2016.

Partner-Operated Fields

Drilling of development well Makori East-5 is in progress in Tal Block.

In Miano Block, development well Miano-19 was completed in November 2015 as a gas producer.

Drilling of development wells Nashpa-6 and Nashpa-7 is in progress in Nashpa Field. Further, EPCC contract for installation of LPG plant was awarded in November 2015.

Development wells Qadirpur-55 and HRL-9 have been completed as gas producers in Qadirpur Field.

In Latif Block, drilling of development well Latif-5 is in progress.

Corporate Social Responsibility

PPL, as a responsible corporate citizen, continued to positively touch the lives of indigenous communities of the society. The Company takes on social welfare schemes with greater objectivity and sustainability to help improve the lives of its local communities. Our CSR initiatives over the years and in the period under review focused on education, healthcare, infrastructure development, water resource development and improvement of environment.

Education

During the period under review, PPL continued to work for promotion of education at its producing and exploratory areas across the Country. During the current period, PPL sponsored three PPL-TCF schools and two Government schools at Ghaibi Dero, which are operating satisfactorily. Development work has been completed at one science laboratory and two school buildings constructed at Khuzdar and Adhi Fields. Moreover, construction work continued on six school buildings and two examination halls at Barkhan, Khuzdar, Washuk and Adhi Fields. Similarly, advertisement has been published to invite applications from students of Balochistan to pursue quality education.

Healthcare

At Sui, PPL Public Welfare Hospital is operating satisfactorily where on average 250 patients were provided free treatment and medicines. Similarly, all three Mobile Medical Dispensaries are operating satisfactorily in surrounding communities of Sui, Kandhkot, Chachar and Mazarani gas fields benefitting around 20,000 local patients. Moreover, in order to provide primary healthcare facility at the doorstep of local communities, a vehicle was purchased to commence operations of Mobile Medical Unit around Gambat South and Hala fields in district Sanghar. In addition, three days free surgical eye camps were successfully held at Dera Bugti, Sui and Kandhkot fields benefitting over 6,000 patients.

Infrastructure Development

PPL constructed 8.5 km road from Indus highway to village Punhal Khan Golo at Kandhkot and repaired link road from Gujjar Khan Road to village Takhra near Adhi Field.

Directors' Interim Review

Technical & Skill Development

Women Vocational Training Centre, Mastala near Adhi Field operated satisfactorily. Construction of Women Vocational & Skill Development Centre at Kotri, District Jamshoro is almost complete. At Vocational Training Institute, Sui, stitching unit was successfully installed at the Center, while establishment of Computer laboratory is in progress. Advertisement seeking applications for award of scholarship to students of District Dera Bugti, Matiari and Sanghar to join one year City & Guilds diploma course at The Hunnar Foundation, District Tando Muhammad Khan was published in leading local newspapers.

Human Resources

In order to improve Performance Management System and bring more transparency, SAP based Online Performance Appraisal system has been implemented. An Employee Engagement Survey was conducted to gauge employee engagement levels and identify any gaps for future actions with respect to improvement in policies / processes and work culture.

New Training Centre was established in Karachi for PPL staff in which more than 500 staff have already undergone training. These included professional development programs facilitated by well reputed international faculty in which staff from other E&P companies also participated. Knowledge-based Management System in selected departments and online learning system 'E-LEARN' was launched for critical positions of PPL staff. Foreign scholarship scheme for 2016 was announced for PPL staff. One year Extended Internship Program, specially designed for marginalised communities in collaboration with NED, was successfully completed.

Quality, Health, Safety and Environment (QHSE)

The Company's senior management is strongly committed to recognise QHSE as a core value for sustainable business growth and profitability. Senior management continued to demonstrate Safety Leadership by undertaking the Safety Observation & Feedback Tour (SOFT) Audit of Assets / Locations beyond the set target.

Striving on to achieve the goal of zero harm and ensure continual improvement in QHSE Management Systems, the Company is undertaking a Process Safety Management System Evaluation study through DuPont Sustainable Solutions, a reputed international consulting firm, to identify opportunities for improvement in all spheres of the Company's operations.

Contractor Safety Management remained a key focus area during the period and various preemptive measures were undertaken for its reinforcement. These include pre-mobilisation workshops, pre-spud meetings, audits and placement of additional QHSE manpower on seismic and drilling sites.

Inspection of plant piping and screening of gas gathering mains, feeder lines and interconnecting pipelines through advanced Non-Destructive testing technique was completed at Hala Gas Processing Plant and Sui Gas Field, respectively. In terms of certifications, Kandhkot Asset, Hala/Gambat/Mazarani Asset, Drilling & Well Engineering and Sui Field Hospital got certified against the ISO & OHSAS International Standards.

Corporate level framework on process safety incident reporting, management of personnel change and safe work practices are being introduced to further strengthen QHSE Management

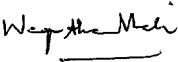
System. Initial Environmental Examination Studies for Exploration & Development Activities in Khuzdar, Mazarani and Gambat South Blocks have been initiated in order to proactively evaluate & mitigate environmental impacts and comply with statutory requirements.

Industrial Relations

Harmonious working environment and cordial industrial relations atmosphere prevailed at all location of the Company, including Sui Gas Field.

ACKNOWLEDGEMENT

The Company's achievements could not have been possible without the dedicated efforts of our Employees, who deserve full compliments. We are also thankful to the continued support of the Government of Pakistan and shareholders, whose unwavering trust and confidence has enabled us to aim and achieve the best.



(WAQAR A. MALIK)
CHAIRMAN

Karachi
February 16, 2016

ماحولیاتی اثرات کا جائزہ لینے اور انہیں کم کرنے کے لئے قبل از وقت ہی اقدامات کئے جاسکیں۔

انڈسٹریل ریلیشنز

کمپنی کی تمام لوکیشنز بشمول سوئی گیس فیلڈ میں ہم آہنگ کاروباری ماحول اور خوش گوار صنعتی فضا کو پروان چڑھایا گیا۔

اعتراف

کمپنی کی کامیابیاں ہمارے عملے کی جانفشانی کے بغیر ممکن نہیں تھیں، جو بھرپور ستائش کے حقدار ہیں۔ ہم حکومت پاکستان اور حصص داروں کے مسلسل تعاون پر بھی شکر گزار ہیں جو ہم پر غیر متزلزل بھروسہ کرتے ہیں اور ہمیں اس قابل بناتے ہیں کہ ہم اپنے اہداف کو بہترین طریقے سے حاصل کر سکیں۔

وفاہ سلاک

و قار اے ملک

چیئرمین

کراچی

16 فروری، 2016

کے لئے قیادت کا اظہار جاری رکھے ہوئے ہے۔

کیو ایچ ایس ای انتظامی نظام میں مسلسل بہتری کو یقینی بنانے اور نقصانات کو صفر کی سطح پر لانے کے ہدف کے حصول کی کوششوں کے تحت پی پی ایل ایک اچھی شہرت کی حامل بین الاقوامی مشاورتی کمپنی ڈیوپونٹ سسٹیم اینبل سلوشنز کی خدمات کے ذریعے اپنے تحفظاتی طریقہ کار کے انتظامی سسٹم (Process Safety Management System) کی جانچ کر رہی ہے تاکہ کمپنی کے تمام امور میں بہتری لانے کے مواقع کی نشاندہی ہو سکے۔

زیر غور عرصے کے دوران ٹھیکیداروں کے تحفظ کی انتظام کاری توجہ کا مرکز رہی اور اس کو تقویت فراہم کرنے کے لئے بہت سے قبل از وقوع پذیر اقدامات لئے گئے ہیں۔ جن میں عملے کی روانگی سے پہلے آگاہی ورکشاپس، کنوئیں کی کھدائی سے قبل ہدایتی نشستیں، آڈٹ / جائزے اور سائزنگ و کھدائی کے مقامات پر کیو ایچ ایس ای کے اضافی عملے کی تعیناتی شامل ہے۔

ہالہ گیس پروسیسنگ پلانٹ اور سوئی گیس فیلڈ میں بالترتیب جدید غیر مضر (نان-ڈسٹرکٹو) جانچ کے طریقے سے پلانٹ کی پائپنگ اور گیس جمع کرنے اور ترسیل کی لائن، فیڈر لائن اور باہم متصل پائپ لائنز کا معائنہ مکمل کیا گیا۔ سرٹیفیکیشن کے حوالے سے کندھ کوٹ و ہالا / گبٹ ساؤتھ / مزرانی اثاثے، ڈرلنگ اور ویل انجینئرنگ اور سوئی فیلڈ ہسپتال نے ISO اور OHSAS بین الاقوامی معیار کے سرٹیفیکٹ حاصل کئے ہیں۔

کمپنی کی سطح پر کیو ایچ ایس ای انتظامی نظام کو مزید مستحکم کرنے کے لئے تحفظ کے طریقہ کار و حادثات کی رپورٹنگ اور ذاتی تبدیلی اور محفوظ کام کے طریقوں کی انتظام کاری کے لئے فریم ورک متعارف کرایا گیا۔ مزرانی، خضدار اور گبٹ ساؤتھ بلاکس میں درمیانی و ترقیاتی سرگرمیوں کے لئے ابتدائی ماحولیاتی تجزیاتی تحقیق شروع کر دی گئیں ہیں تاکہ مطلوبہ قوانین کے تحت

انسانی وسائل

کارکردگی کے انتظام (Performance Management System) میں بہتری اور مزید شفافیت لانے کے لئے SAP پر آن لائن پرفارمنس اپریزل سسٹم (کارکردگی کے جائزے کے نظام) کا اطلاق کر دیا گیا۔ ملازمین کی ادارے سے وابستگی کا جائزہ لینے اور اس حوالے سے خلا کی نشاندہی اور اسے پر کرنے کے لئے مستقبل میں پالیسیوں / طریقہ کار اور کام کے کلچر / رواج میں بہتری لانے کے لئے ایسپلائی انگیجمنٹ سروے کرایا گیا۔

پی پی ایل کے عملے کے لئے کراچی میں نیا تربیتی مرکز قائم کیا گیا جس میں 500 سے زائد افراد تربیت حاصل کر چکے ہیں۔ ان پیشہ وارانہ ترقی کے پروگراموں میں عالمی سطح پر اچھی شہرت کے حامل عملے کے ذریعے تربیت بھی شامل ہے جن میں دیگر ای اینڈ پی کمپنیوں کے عملے نے بھی حصہ لیا۔ پی پی ایل کے منتخب شعبہ جات میں معلومات پر مبنی مینجمنٹ سسٹم (Knowledge-based Management System) اور مخصوص عملے کے لئے ان کے کام کی نوعیت کے پیش نظر آن لائن لرننگ کا 'ای۔ لرن' (E-learn) سسٹم شروع کیا گیا ہے۔ پی پی ایل کے عملے کے لئے بیرون ملک وظائف اسکیم برائے 2016 کا اعلان کیا گیا ہے۔ این ای ڈی یونیورسٹی برائے انجینئرنگ و ٹیکنالوجی، کراچی کی معاونت سے ایک سالہ توسیعی انٹرن شپ پروگرام، جو پسماندہ مقامی آبادی کے لئے خصوصی طور پر تیار کیا گیا تھا، کامیابی سے مکمل ہوا۔

معیار، صحت، تحفظ و ماحول (کیو ایچ ایس ای)

کمپنی کی سینیئر انتظامیہ کیو ایچ ایس ای کو کاروبار کی پائیداری، ترقی اور منفعت کے لئے بنیادی قدر کے طور پر تسلیم کرنے کے عہد پر سختی سے کاربند ہے۔ مقررہ اہداف سے بالاتر ہو کر سینیئر انتظامیہ تحفظ کے حوالے سے کئے گئے اقدامات کا مشاہدہ کرنے اور فیڈ بیک دینے کے لئے اثاثوں / لوکیشنز کے آڈٹ / تجزیے کے دوروں کے ذریعے کمپنی میں تحفظ کی قدر بڑھانے

گرد و نواح کی مقامی آبادیوں کے لئے تسلی بخش خدمات انجام دے رہی ہیں جن سے تقریباً 20,000 مریض استفادہ حاصل کر رہے ہیں۔ مزید یہ کہ ضلع ساگھڑ میں گبٹ ساؤتھ اور ہالہ فیلڈز کی مقامی آبادی کو حفظانِ صحت کی ابتدائی سہولیات بہم پہنچانے کا کام شروع کرنے کے لئے ایک گاڑی خریدی گئی ہے۔ اس کے ساتھ ساتھ ڈیرہ بگٹی، سوئی اور کندھ کوٹ فیلڈز میں تین روزہ مفت آئی کیمپس کا کامیابی سے انعقاد کیا گیا ہے جس سے 6,000 سے زائد مریضوں کو استفادہ حاصل ہوا۔

تعمیرات و بنیادی ڈھانچے

پی پی لہل نے انڈس ہائی وے سے کندھ کوٹ کے پینل خان گولو قصبے تک 8.5 کلومیٹر روڈ تعمیر کی اور گوجر خان روڈ سے آدھی فیلڈ کے قریب قصبے ٹاکھرا تک لنک روڈ کی مرمت بھی کی۔

تکنیکی مہارت میں اضافہ

مستالہ نزد آدھی فیلڈ میں خواتین کا ووکیشنل تربیتی سینٹر تسلی بخش طریقے سے کام انجام دے رہا ہے۔ کوٹری، ضلع جامشورو میں خواتین کے ووکیشنل و اسکل ڈیولپمنٹ سینٹر کی تعمیر مکمل ہونے کے قریب ہے۔ ووکیشنل تربیتی انسٹیٹیوٹ، سوئی میں سلائی کا مرکز کامیابی سے شروع کر دیا گیا ہے جبکہ کمپیوٹر لیباریٹری کی تعمیر جاری ہے۔ ہنر فاؤنڈیشن، ضلع ٹنڈو محمد خان میں ایک سالہ سٹی و گلڈز ڈپلومہ کورس کے لئے ضلع ڈیرہ بگٹی، ٹیاری اور ساگھڑ کے طلباء کو وظائف کے اجرا کے لئے ان سے درخواستوں کے حصول کے لئے اشتہار کی تشہیر کی جا چکی ہے۔

کاروباری سماجی ذمہ داری (سی ایس آر)

پی پی لیل، ایک ذمہ دار کارپوریٹ شہری کی حیثیت سے، معاشرے کی مقامی آبادیوں کی زندگیوں پر مثبت طرز پر اثر انداز ہونے کی روایت کو جاری رکھے ہوئے ہے۔ کمپنی سماجی بھلائی کے منصوبوں کو وسیع تر مقصدیت اور پائیداری کے مطابق جاری رکھے ہوئے ہے تاکہ مقامی افراد کے معیار زندگی میں بہتری لائی جائے۔ سالہاسال سے اور دورانِ جائزہ عرصے میں بھی ہمارے سی ایس آر اقدامات تعلیم، صحت، بنیادی ڈھانچوں اور آبی وسائل کی فراہمی اور ماحول میں بہتری کے لئے کارفرما رہے ہیں۔

تعلیم

زیرجائزہ عرصے کے دوران پی پی لیل پورے ملک میں اپنے پیداواری اور دریاقتی علاقوں میں تعلیم کے فروغ کے لئے مسلسل کام جاری رکھے ہوئے ہے۔ حالیہ عرصے کے دوران، پی پی لیل نے تین پی پی لیل۔ ٹی سی ایف اسکولوں اور غیبی ڈیرو میں دو سرکاری اسکولوں کی اعانت جاری رکھی جو تسلی بخش کارکردگی کا مظاہرہ کر رہے ہیں۔ خضدار بلاک اور آدہی فیلڈ میں بالترتیب ایک سائنس لیباریٹری کے ترقیاتی کام اور دو اسکولوں کی عمارتوں کی تعمیر مکمل ہو چکی ہے۔ مزید یہ کہ بارکھان، خضدار، واشوک اور آدہی میں چھ اسکولوں کی عمارتوں اور دو امتحانی ہالوں کی تعمیر جاری ہے۔ بلوچستان کے طلباء کو معیاری تعلیم کی فراہمی کے لئے وظائف کی درخواستیں وصول کرنے کی خاطر اشتہار کی تشہیر کی جا چکی ہے۔

صحت

سوئی میں پی پی لیل پبلک ویلفیئر ہسپتال تسلی بخش طریقے سے کام جاری رکھے ہوئے ہے جہاں یومیہ اوسطاً 250 مریضوں کو مفت علاج و معالجے اور ادویات کی سہولت فراہم کی جاتی ہے۔ اسی طرح، تین موبائل میڈیکل ڈسپنسریاں سوئی، کندھ کوٹ و چاچڑ اور مزرانی گیس فیلڈ کے

پی پی لیبل نے اسی طرز پر نوشہرو فیروز اور کوٹری نارتھ بلاکس میں، جہاں پی پی لیبل اور اے آر او لیبل کی کاروباری شراکت بالترتیب 90 فیصد اور 10 فیصد ہے، نادرہنگی (سے نمپٹنے) کے طریقہ کار کا آغاز کر دیا ہے۔ پی پی لیبل نے ان بلاکس میں سے ہر ایک سے اے آر او لیبل کی 10 فیصد کاروباری شراکت ضبط کر کے اسے پی پی لیبل کو منتقل کرنے کی درخواست حکومت پاکستان کو 23 دسمبر، 2015 کو بھیج دی ہے جس کے جواب کا اب انتظار ہے۔

ہالہ اثاثے میں، جی پی ایف-II کے لئے FEED تحقیق شروع کر دی گئی ہے جس کی تکمیل آئندہ سہ ماہی تک کرنے کی منصوبہ بندی کی گئی ہے۔

مزرانی اثاثے میں، پیداواری کنوئیں مزرانی-5 کنوئیں کی کھدائی کے لئے مقام کا تعین کر لیا گیا ہے اور اپریل 2016 میں کنوئیں کی کھدائی کے آغاز کی منصوبہ بندی کی گئی ہے۔

پارٹنر- آپریٹڈ فیلڈز

ٹل بلاک میں پیداواری کنوئیں ماکوڑی ایسٹ-5 کی کھدائی جاری ہے۔

میانو بلاک میں میانو-19 پیداواری کنواں نومبر 2015 میں گیس کی پیداوار کرنے والے کنوئیں کے طور پر مکمل ہو ا۔

نشیا فیلڈ میں پیداواری کنوئیں نشیا -6 اور نشیا -7 کی کھدائی جاری ہے۔ مزید یہ کہ نومبر 2015 میں لیبل پی جی پلانٹ کی تنصیب کے لئے ای پی سی سی کونٹریکٹ دے دیا گیا ہے۔

قادر پور فیلڈ میں قادر پور -55 اور ایچ آر لیبل -9 گیس کی پیداوار کرنے والے کنوئیں کے طور پر مکمل ہوئے۔

لطیف بلاک میں پیداواری کنوئیں لطیف -5 کی کھدائی جاری ہے۔

ساتھ کھودا گیا اور رگز کو بالترتیب ستمبر اور نومبر 2015 میں فارغ کر دیا گیا۔ فیڈر لائنز کی تعمیر مکمل ہو چکی ہے اور کنوؤں کو پلانٹ سے منسلک کر دیا گیا ہے۔ آدہی-25 (T/K) کی کھدائی کا آغاز اکتوبر 2015 میں ہوا اور اس وقت کھدائی کا کام جاری ہے۔ آدہی LPG/NGL پلانٹ-III میں پیداوار کو پروسیس کرنے کی سرگرمیوں کا آغاز نومبر 2015 میں ہوا جس کے نتیجے میں پلانٹ سے پہلی گیس حاصل ہوئی۔ پلانٹ-III سے پیداوار کو پروسیس کرنے کی سرگرمیاں جاری ہیں۔

گبٹ ساؤتھ / ہالہ / مزرانی اثاثے

گبٹ ساؤتھ اثاثے میں جی پی ایف - I منصوبہ اپنے مقررہ شیڈول یعنی مئی 2016 میں اہداف کی تکمیل کے مطابق جاری ہے۔ جی پی ایف - II منصوبے کے لئے پیداوار پروسیس کرنے کے سامان کی کھیپ پہنچائی جا چکی ہے۔ جی پی ایف - III منصوبے کے لئے بولیاں وصول ہو گئیں ہیں جن کا فی الحال تجزیہ کیا جا رہا ہے۔ واقع، نصر اور شرف دریافتوں کو کاروباری اثاثے (ڈی اوسی) ثابت کرنے کے لئے ترقیاتی و پیداواری لیز (ڈی و پی لیل) حاصل کرنے کی درخواستیں ڈی جی پی سی کو جمع کرا دی گئی ہیں۔

مزید برآں یہ کہ ایشیا ریسورسز آئل لمیٹڈ (اے آر او لیل)، جو کہ گبٹ ساؤتھ بلاک میں 10 فیصد کاروباری حصہ داری رکھتا ہے، نے کاروباری شراکت کے معاہدے کے تحت اپنے حصے کے واجب الادا نقد واجبات کی ادائیگی نہیں کی ہے۔ چنانچہ کاروباری شراکت کے معاہدے میں دی گئی شرائط کی رو سے 22 ستمبر 2015 کو نادر ہندگی (سے نمپنے) کے طریقہ کار کو عمل میں لایا گیا جسکے نتیجے میں اے آر او لیل کی 10 فیصد کاروباری حصہ داری ضبط کر لی جائیگی اور اسے بلاک کے دیگر شراکت دار پی پی لیل (65 فیصد شراکت) اور گورنمنٹ ہولڈنگز پرائیویٹ لمیٹڈ (25 فیصد شراکت) شراکتی معاہدے کی رو سے حاصل کر لیں گے۔

جاری ہے۔ مزید یہ کہ اس بلاک میں گریوٹی (gravity) سروے بھی جاری ہے۔
 نشپا بلاک میں دریافتی کنوئیں شادا-1 کی کھدائی اور نشپا-5 X کی جانچ جاری ہے۔ مزید یہ کہ
 اس بلاک میں گریوٹی سروے مکمل ہو چکا ہے۔
 لطیف بلاک میں دریافتی کنواں لطیف ساؤتھ - 1 گیس کی دریافت کے ساتھ مکمل ہو گیا۔

پیداواری فیلڈز اور ان پر جاری کام

سوئی اثاثہ

سوئی-96 کی کھدائی مکمل ہو چکی ہے اور کنوئیں سے پیداوار کے آغاز کے لئے تیاری جاری
 ہے۔ پیداواری کنوؤں سوئی-91، سوئی-85 اور سوئی-33 پر ورک اور کامیابی سے مکمل ہو
 چکا ہے جبکہ سوئی-80 پر ورک اور جاری ہے۔ مزید برآں یہ کہ SUL اور HRL کی SML
 کے ساتھ مخلوط پیداوار کیلئے اسے SML کے سکشن ہیڈر سے جوڑنے کا کام کامیابی سے مکمل ہوا
 ہے۔ اس ترمیم کی آزمائشی جانچ بھی کامیابی سے کی گئی ہے۔ اس کے ساتھ ساتھ (سات میں
 سے) پانچ SML کمپریسرز کو بہتر بنانے / تبدیل کرنے کا کام بھی مکمل ہو چکا ہے۔

کندھ کوٹ اثاثہ

پیداواری کنوئیں KDT-33(H) کی کھدائی شروع کرنے کے لئے رگ کو متحرک کر دیا گیا ہے
 جسے حبیب راہی لائٹ اسٹون ذخیرے میں افقی کنویں کے طور پر کھودنے کی منصوبہ بندی کی گئی
 ہے۔ مزید یہ کہ پیداواری کنوئیں KDT-18(M) میں کی گئی تبدیلیوں / کام کے نتیجے میں
 گیس کی پیداوار میں تقریباً یومیہ 5 ایم ایس سی ایف اضافہ ہوا ہے۔

آدہی اثاثہ

پیداواری کنوئیں آدہی-4 (T/K) اور آدہی-3 (T/K) کو مطلوبہ گہرائی تک کامیابی کے

ایکسپلوریشن کے شمالی اثاثے

صادق آباد بلاک میں 3D سائزنگ سروے مکمل ہو چکا ہے۔ دو دریافتی کنوؤں کی کھدائی کے آغاز کی تیاریاں جاری ہیں۔

ڈھوک سلطان بلاک میں پہلا دریافتی کنواں ڈھوک سلطان X-1 تیل کی پیداوار کرنے والے کنوئیں کے طور پر مکمل ہوا۔

زندان بلاک میں پہلے دریافتی کنوئیں لکی X-1 کی کھدائی کا آغاز نومبر 2015 میں ہوا۔ غیر حوصلہ بخش نتائج کی وجہ سے کنوئیں کو جنوری 2016 میں بند کر کے ترک کر دیا گیا۔ سائزنگ عملے کو حصول بلاک میں 2D سائزنگ سروے کے لئے متحرک کر دیا گیا ہے۔ کرسل بلاک میں پہلے دریافتی کنوئیں کی کھدائی کے آغاز کی تیاریاں جاری ہیں۔

ایکسپلوریشن کے سرحدی اثاثے

بیلا ویسٹ بلاک میں 2D سائزنگ سروے مکمل ہو چکا ہے جبکہ حب بلاک میں 2D سائزنگ سروے جاری ہے۔

خاران اور بارکھان بلاکس میں بالترتیب پہلے اور دوسرے دریافتی کنوؤں خاران X-1 اور میر واہ ایسٹ X-1 کی کھدائی کی تیاریاں جاری ہیں۔

پارٹنر آپریٹڈ اثاثے

غوری بلاک میں 3D سائزنگ سروے سے ڈیٹا کا حصول جاری ہے جبکہ کیرتھر بلاک کے لئے سائزنگ عملے کو روانہ کر دیا گیا ہے۔

جتی بلاک میں دوسرے دریافتی کنوئیں کندن-1 کی کھدائی کا آغاز اکتوبر 2015 میں ہوا تھا جو تاحال جاری ہے۔

ٹل بلاک میں دریافتی کنوؤں ماکوڑی ڈیپ-1، تونج ساؤتھ-1 اور تونج ویسٹ-1 کی کھدائی

کاروباری حکمتِ عملی اور اہم شعبہ جات
 کمپنی کے آپریشنز کاروباری حکمتِ عملی کے مطابق دریافتی و پیداواری اور کھدائی کی سرگرمیوں
 کو بڑھا کر پیداوار میں زیادہ سے زیادہ اضافے پر مبنی ہیں۔

دریافتی سرگرمیاں
 کمپنی کا دریافتی پروگرام / ڈائریکٹوریٹ تین اثاثوں بنام شمالی، جنوبی اور سرحدی پر مشتمل ہے۔
 اس وقت، کمپنی کے پاس 47 بلاکس ہیں، جن میں سے 27 پی پی لیل آپریٹڈ (بشمول عراق میں
 پی پی لیل ایشیا آپریٹڈ بلاک 8) ہیں اور بقایا 20 پارٹنر آپریٹڈ ہیں جن میں پاکستان میں تین آف
 شور بلاکس اور یمن میں دو آن شور بلاکس بھی شامل ہیں۔
 موجودہ عرصے میں نئے اور جاری اقدامات حسبِ ذیل ہیں:

ایکسپلوریشن کے جنوبی اثاثے

شاہ بندر بلاک میں 3D سائزنگ سروے جاری ہے۔
 جنگ شاہی بلاک میں دریافتی کنوئیں نوری آباد 1-X سے خاطر خواہ نتائج حاصل نہ ہونے کی
 بناء پر (ڈرائی ہول کی وجہ سے) اسے ترک کر دیا گیا۔
 گمبٹ ساؤتھ بلاک میں دسویں دریافتی کنوئیں حاتم 1-X کی کھدائی کا آغاز اکتوبر 2015 میں
 ہوا جسے گیس اور کنڈنسیٹ کی پیداوار کرنے والے کنوئیں کے طور پر مکمل کیا گیا۔
 گیارہویں دریافتی کنوئیں ہادی 1-X کی کھدائی کا آغاز دسمبر 2015 میں ہوا اور فی الحال کھدائی
 کا کام جاری ہے۔ مزید یہ کہ سائزنگ عملے کو 3D سائزنگ سروے کے لئے متحرک کر دیا گیا
 ہے۔

ہالہ اور کوٹری بلاکس میں بالترتیب پانچویں اور پہلے دریافتی کنوئیں بشر 1-X اور کوٹری 1-X کی
 کھدائی کی تیاریاں جاری ہیں۔

منفعت

فروختِ آمدن میں کمی کے ساتھ ساتھ کمپنی کے منافع میں بھی کمی ہوئی ہے جس کی بنیادی وجہ فیلڈ کے اخراجات میں 2,534 ملین روپے تک کا اضافہ ہے جو تقابلی عرصے سے تقریباً 15 فیصد زائد ہے۔ فیلڈ کے اخراجات میں اضافے کی اہم وجہ جنگ شاہی بلاک میں نوری آباد X-1، جتی بلاک میں جھم-1، گبٹ بلاک میں دلجان ایسٹ اور ساؤتھ ویسٹ میا نو-II بلاک میں مصری بھمبر و X-1 کنوؤں پر ہونے والے اخراجات ہیں جن سے کوئی دریافت نہ ہو سکی (ڈرائی ہول ثابت ہوئے)۔

مندرجہ بالا کے علاوہ، کمپنی کی منفعت پر ہونے والا اثر، اسکی آمدنی کی مد میں غیر نقدی خرچ کے طور پر پیش کئے گئے، پی پی ایل یورپ ای اینڈ پی کمپنی لیٹڈ میں اسکی سرمایہ کاری سے 2,207 ملین روپے کے ہونے والے کمپنی کے تسلیم شدہ خسارے، کی وجہ سے بھی ہوا ہے جو اس اثاثے کی مروجہ قیمت میں ہونے والی مسلسل کمی کی بناء پر ہے۔ ہونے والے خسارے کی اہم وجہ خام تیل کی گرتی ہوئی قیمتیں ہیں۔ تفصیلات نوٹ 6.1 پر غیر اشمال شدہ عبوری مالیاتی گوشواروں کے خلاصے اور نوٹ 6.2 میں اشمال شدہ عبوری مالیاتی گوشواروں کے خلاصے میں ملاحظہ کریں۔

عبوری منافع منقسمہ

کمپنی کے بورڈ آف ڈائریکٹرز نے 16 فروری 2016 کو منعقد ہونے والے اجلاس میں 30 جون، 2016 کو ختم ہونے والے مالی سال کے لئے ہر ایک مکمل طور پر ادا شدہ عمومی شنیر پر 2.25 روپے (22.5 فیصد) کی اور فی مکمل طور پر ادا شدہ تبدیل پذیر ترجیحی شنیر پر 2.25 روپے (22.5 فیصد) کی شرح سے عبوری منافع منقسمہ کی ادائیگی کی منظوری دی۔

حجم / مقدار کا مثبت تغیر گیس کی فروخت کے حجم میں 4 فیصد اور لیل پی جی کی فروخت کے حجم میں 15 فیصد اضافے کے مشترکہ اثر سے منسوب ہے جس نے تیل کی فروخت کے حجم میں 6 فیصد کمی کے اثر کو جزوی طور پر زائل کیا ہے۔

گیس کی فروخت کے حجم میں اضافہ دراصل سوئی، کندھ کوٹ، آدہی، میانو، ٹل، لطیف، چاچڑ، ہالہ اور نشیا فیلڈز سے زیادہ پیداوار اور مارچ 2015 کے دوران گسٹ سائٹھ سے پیداوار کے آغاز سے ہوا جس نے قادر پور اور ساون فیلڈز سے گیس کی فروخت کے حجم میں ہونے والی کمی کی جزوی تلافی بھی کی۔ لیل پی جی کی فروخت کے حجم میں اضافہ ٹل اور آدہی فیلڈز سے پیداوار میں اضافے سے ہوا۔ تیل کی فروخت کے حجم میں ناموافق تغیر ٹل، ہالہ، آدہی، نشیا اور غوری فیلڈز سے تیل کی پیداوار میں کمی کی وجہ سے ہوا۔

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

یونٹ	نصف سال کا اختتام	نصف سال کا اختتام
	31 دسمبر، 2014	31 دسمبر، 2015
قدرتی گیس	132,892	138,471
خام تیل / قدرتی گیس مائع		
(این جی لیل) / کنڈنسٹ	2,757,986	2,601,013
مائع پٹرولیم گیس		
(لیل پی جی)	26,521	30,531

کھدائی کی سرگرمیاں

موجودہ مدت میں پی پی لبل آپریٹڈ بلاکس میں پانچ کنوئیں (تین دریافتی اور دو پیداواری کنوئیں) کھودے گئے جبکہ پچھلے سال اسی عرصے کے دوران چھ کنوئیں (تین دریافتی اور تین پیداواری کنوئیں) کھودے گئے تھے۔

مالیاتی جھلکیاں / مالیاتی سرگرمیوں کے اہم نکات

31 دسمبر، 2015 کو ختم ہونے والے نصف سال پر کمپنی کے اہم مالیاتی نتائج حسب ذیل ہیں:

نصف سال کا اختتام	نصف سال کا اختتام
31 دسمبر، 2014	31 دسمبر، 2015

ملین روپے

57,811	41,118	فروخت آمدن (خالص)
33,106	15,995	قبل از ٹیکس منافع
(10,967)	(4,237)	ٹیکس
22,139	11,758	بعد از ٹیکس منافع
11.23	5.96	بنیادی اور تحلیل شدہ آمدن فی شیئر (روپے)

فروخت آمدن

موجودہ مدت میں تقابلی عرصے کے مقابلے میں فروخت آمدن میں 16,693 ملین روپے کی کمی آئی ہے۔ خام تیل کی قیمت میں منفی تبدیلی کی وجہ سے 20,537 ملین روپے کا منفی انحراف 3,402 ملین روپے کی مثبت شرح تبدیلی اور 442 ملین روپے کے فروخت کے حجم / مقدار میں اضافے کے مثبت تغیر سے جزوی طور پر زائل ہوا۔

ڈائریکٹران کا عبوری جائزہ

آپ کے ڈائریکٹران 31 دسمبر، 2015 کو ختم ہونے والے نصف سال کے غیر آڈٹ شدہ عبوری مالیاتی گوشواروں کے خلاصے اور کمپنی کے امور کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

آپریٹل و مالیاتی جھلکیاں / اہم نکات

آپریٹل جھلکیاں / آپریٹنز کے اہم نکات
31 دسمبر، 2015 کو ختم ہونے والے نصف سال میں ہونے والے اہم کاروباری آپریٹنز حسبِ ذیل ہیں:

دریافتیں

گذشتہ سال اس مدت میں چار دریافتوں کے مقابلے میں، زیرِ جائزہ عرصے میں پانچ دریافتیں ہوئی ہیں جو گنٹ ساؤتھ بلاک میں دو (نویس دریافتی کنونین کیر-1 X اور سویس دریافتی کنونین حاتم-1 X) اور ہالہ بلاک میں (چوتھے دریافتی کنونین فضل-1 X)، ڈھوک سلطان بلاک میں (پہلے دریافتی کنونین ڈھوک سلطان-1 X) اور لطیف بلاک میں (دریافتی کنونین لطیف ساؤتھ-1) پر مشتمل ہیں۔

سائز مک سرگرمیاں

پی پی لیل آپریٹڈ بلاکس میں 851 لائن کلومیٹرز اور 733 مربع کلومیٹرز پر بالترتیب 2D اور 3D سائز مک سروے کئے گئے جس کی شرح گذشتہ سال کے اسی دورانیے کے مقابلے میں 2D میں 6 فیصد اور 3D میں 27 فیصد کم ہے۔

Auditors' Report to the Members on Review of Unconsolidated Condensed Interim Financial Information

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of Pakistan Petroleum Limited (the Company) as at December 31, 2015 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim cash flow statement together with the notes forming part thereof for the six months period then ended (here-in-after referred to as the 'unconsolidated condensed interim financial information'). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review.

The figures included in the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for quarters ended December 31, 2015 and 2014 and the notes forming part thereof have not been reviewed as we are required to review only the cumulative figures for the six months ended December 31, 2015.

Scope of Review

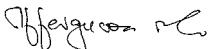
We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of the interim financial information consists of making inquiries, primarily of persons responsible for 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 unconsolidated condensed interim financial information as of and for the six months period ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The financial statements of the Company for the six months period ended December 31, 2014 and for the year ended June 30, 2015 were reviewed and audited by another firm of Chartered Accountants who through their reports dated January 29, 2015 and August 24, 2015, expressed an unqualified conclusion and opinion thereon.



Chartered Accountants

Karachi, February 16, 2016

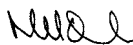
Audit Engagement Partner: Khurshid Hasan

Unconsolidated Condensed Interim Balance Sheet

As At December 31, 2015

	Note	December 31, 2015 Unaudited	June 30, 2015 Audited
Rs '000			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	102,493,534	93,773,934
Intangible assets		256,081	259,294
		<u>102,749,615</u>	<u>94,033,228</u>
Long-term investments	6	60,196,030	53,701,019
Long-term loans		1,202,952	1,172,140
Long-term deposits		765,176	765,176
Long-term receivables		253,352	315,418
		<u>165,167,125</u>	<u>149,986,981</u>
CURRENT ASSETS			
Stores and spares		4,681,105	3,890,333
Trade debts	7	56,937,486	58,754,078
Loans and advances		2,457,458	2,156,096
Trade deposits and short-term prepayments		358,572	76,791
Interest accrued		1,486,135	1,435,212
Current maturity of long-term investments	6	182,464	648,238
Current maturity of long-term receivables		62,066	60,632
Other receivables		2,797,646	7,022,637
Short-term investments		17,330,000	21,455,000
Taxation - net		661,010	922,998
Cash and bank balances		1,413,559	1,266,827
		<u>88,367,501</u>	<u>97,688,842</u>
TOTAL ASSETS		<u>253,534,626</u>	<u>247,675,823</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		19,717,295	19,717,295
Reserves		176,110,898	172,239,921
		<u>195,828,193</u>	<u>191,957,216</u>
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		12,040,562	11,731,814
Liabilities against assets subject to finance leases		195,135	209,647
Deferred liabilities		2,228,670	2,098,135
Deferred taxation	8	21,121,892	18,691,138
		<u>35,586,259</u>	<u>32,730,734</u>
CURRENT LIABILITIES			
Trade and other payables	9	22,023,026	22,879,753
Current maturity of liabilities against assets subject to finance leases		97,148	108,120
		<u>22,120,174</u>	<u>22,987,873</u>
TOTAL LIABILITIES		<u>57,706,433</u>	<u>55,718,607</u>
TOTAL EQUITY AND LIABILITIES		<u>253,534,626</u>	<u>247,675,823</u>
CONTINGENCIES AND COMMITMENTS			
10			

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Director



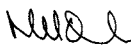
Chief Executive

Unconsolidated Condensed Interim Profit and Loss Account (Unaudited)

For The Half Year Ended December 31, 2015

	Note	Quarter ended December 31, 2015	Quarter ended December 31, 2014	Half year ended December 31, 2015	Half year ended December 31, 2014
		Rs '000		Rs '000	
Sales - net	11	20,564,847	26,843,861	41,118,483	57,810,842
Field expenditures	12	(9,011,753)	(8,726,205)	(19,973,838)	(17,439,998)
Royalties		(2,392,516)	(3,134,167)	(4,783,659)	(6,820,096)
		(11,404,269)	(11,860,372)	(24,757,497)	(24,260,094)
		9,160,578	14,983,489	16,360,986	33,550,748
Other income	13	1,497,083	1,751,159	3,010,970	4,031,221
Other operating expenses	14	(2,617,408)	(3,163,908)	(3,049,323)	(4,199,373)
Finance costs	15	(164,009)	(138,738)	(327,906)	(276,837)
Profit before taxation		7,876,244	13,432,002	15,994,727	33,105,759
Taxation	16	(1,995,233)	(4,980,643)	(4,236,882)	(10,966,807)
Profit after taxation		5,881,011	8,451,359	11,757,845	22,138,952
Basic and diluted earnings per share (Rs)	19	2.98	4.29	5.96	11.23

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Director



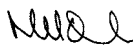
Chief Executive

Unconsolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For The Half Year Ended December 31, 2015

	Quarter ended December 31, 2015	Quarter ended December 31, 2014	Half year ended December 31, 2015	Half year ended December 31, 2014
	Rs '000		Rs '000	
Profit after taxation	5,881,011	8,451,359	11,757,845	22,138,952
Other comprehensive income	-	-	-	-
Total comprehensive income	5,881,011	8,451,359	11,757,845	22,138,952

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Director



Chief Executive

Unconsolidated Condensed Interim Cash Flow Statement (Unaudited)

For The Half Year Ended December 31, 2015

Note Half year ended Half year ended
December 31, December 31,
2015 2014
Rs '000

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	56,047,842	64,038,355
Receipts of other income	278,296	217,746
Cash paid to suppliers / service providers and employees	(13,575,803)	(11,958,220)
Payment of indirect taxes and Government levies including royalties	(18,079,653)	(17,118,462)
Income tax paid	(1,544,140)	(9,877,266)
Finance costs paid	(19,158)	(19,091)
Long-term loans (net)	4,175	(170,433)
Net cash generated from operating activities	23,111,559	25,112,629

CASH FLOWS FROM INVESTING ACTIVITIES

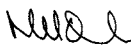
Capital expenditure (net)	(13,464,912)	(12,533,450)
Proceeds from sale of property, plant and equipment	12,842	18,993
Purchase of long-term investments	(10,520,308)	(3,469,707)
Disposal / redemption of long-term investments	2,462,344	2,155,020
Long-term receivables	60,632	-
Financial income received	2,301,069	3,060,159
Net cash used in investing activities	(19,148,333)	(10,768,985)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of liabilities against assets subject to finance leases	(66,599)	(56,564)
Dividends paid	(7,874,895)	(14,787,878)
Net cash used in financing activities	(7,941,494)	(14,844,442)
Net decrease in cash and cash equivalents	(3,978,268)	(500,798)
Cash and cash equivalents at the beginning of the period	22,721,827	21,625,912
Cash and cash equivalents at the end of the period	18,743,559	21,125,114

17

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Director



Chief Executive

Unconsolidated Condensed Interim Statement of Changes In Equity (Unaudited)

For The Half Year Ended December 31, 2015

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves					Total reserves	Total		
				Ordinary	Convertible preference	Contingency reserve	Insurance reserve	Assets acquisition reserve			Dividend equalisation reserve	Unappropriated profit
Balance as at July 1, 2014 (Audited)	138	1,428	69,761	29,021,894	18,751,980	5,000,000	109,355,000	162,198,635	181,917,358			
Comprehensive income for the period												
Profit after taxation	-	-	-	-	-	-	22,138,952	22,138,952	22,138,952			
Other comprehensive income for the half year ended December 31, 2014, net of tax	-	-	-	-	-	-	-	-	-			
Total comprehensive income for the half year ended December 31, 2014	-	-	-	-	-	-	22,138,952	22,138,952	22,138,952			
Appropriation of insurance reserve for the year ended June 30, 2014	-	-	-	5,000,000	-	-	(5,000,000)	-	-			
Appropriation of assets acquisition reserve for the year ended June 30, 2014	-	-	-	-	5,000,000	-	(5,000,000)	-	-			
Conversion of preference shares into ordinary shares	14	(14)	-	-	-	-	-	-	-			
Transaction with owners												
Final dividend on ordinary shares @ 75% for the year ended June 30, 2014	-	-	-	-	-	-	(14,787,878)	(14,787,878)	(14,787,878)			
Balance as at December 31, 2014 (Unaudited)	124	1,428	69,761	34,021,894	23,751,980	5,000,000	106,706,074	169,549,709	189,268,432			
Balance as at July 1, 2015 (Audited)	124	1,428	69,761	34,021,894	23,751,980	5,000,000	109,394,858	172,238,483	191,957,216			
Comprehensive income for the period												
Profit after taxation	-	-	-	-	-	-	11,757,845	11,757,845	11,757,845			
Other comprehensive income for the half year ended December 31, 2015, net of tax	-	-	-	-	-	-	-	-	-			
Total comprehensive income for the half year ended December 31, 2015	-	-	-	-	-	-	11,757,845	11,757,845	11,757,845			
Conversion of preference shares into ordinary shares	-	-	-	-	-	-	-	-	-			
Transaction with owners	1	(1)	-	-	-	-	-	-	-			
Final dividend on ordinary shares @ 40% for the year ended June 30, 2015	-	-	-	-	-	-	(7,886,868)	(7,886,868)	(7,886,868)			
Balance as at December 31, 2015 (Unaudited)	123	1,428	69,761	34,021,894	23,751,980	5,000,000	113,265,835	176,109,470	195,828,183			

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.



Chief Executive



Director

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

For The Half Year Ended December 31, 2015

1. LEGAL STATUS AND OPERATIONS

1.1. Pakistan Petroleum Limited (the Company) was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The Company is listed on all the three stock exchanges of Pakistan with effect from September 16, 2004. Effective January 11, 2016, all three stock exchanges have been integrated to form Pakistan Stock Exchange. The registered office of the Company is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi.

1.2. These unconsolidated condensed interim financial statements are the separate condensed interim financial statements of the Company, in which investments in subsidiaries and Bolan Mining Enterprises (BME) have been accounted for at cost less accumulated impairment losses, if any.

There has been no change in the investment in subsidiaries, BME and joint arrangements, as disclosed in note 6 and note 33 to the unconsolidated financial statements for the year ended June 30, 2015.

1.3. The Sui Mining Lease expired on May 31, 2015. Accordingly, application for extension / renewal was filed by the Company with the Government of Pakistan (GoP). The GoP, through SRO_(I)/2015 dated May 30, 2015, allowed the Company to continue production from the Sui Mining Lease area for a further period of one year with effect from the expiry of the existing lease period i.e. May 31, 2015.

The management is confident that the Company will be allowed further extension in order to continue production from the Sui Mining Lease.

2. BASIS OF PREPARATION

2.1. The unconsolidated condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 – 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The unconsolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in the annual unconsolidated financial statements and should be read in conjunction with the audited unconsolidated financial statements of the Company for the year ended June 30, 2015.

2.2. These unconsolidated condensed interim financial statements comprise of the unconsolidated condensed interim balance sheet as at December 31, 2015 and the unconsolidated condensed interim profit and loss account, the unconsolidated condensed interim statement of changes in equity, the unconsolidated condensed interim cash flow statement and notes thereto for the half year then ended which have been subjected to a limited review in accordance with the listing regulations but not audited. These unconsolidated condensed interim financial statements also include the unconsolidated condensed interim profit and loss account for the quarter ended December 31, 2015 which has neither been reviewed nor audited.

2.3. **Standards, interpretations and amendments to published approved accounting standards that are effective and relevant**

Following standards, amendments to standards and interpretations have been published

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

For The Half Year Ended December 31, 2015

and are mandatory for accounting periods beginning on or after July 1, 2015 and are considered to be relevant to the Company's operations.

- IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in determination of control where this is difficult to assess. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Standard has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. However, the aforesaid revision in control framework has no impact on the Company's financial statements.
- Under IFRS 11, the Company classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Company's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Company considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. The Company has assessed the nature of its joint arrangements and determined them to be joint operations. In respect of investment in BME, the Company has a Joint Venture Agreement with Government of Balochistan. In view of possible changes the final assessment of the subject arrangement is expected to be finalised by the year end.
- IFRS 12 'Disclosure of interest in Other entities' combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The standard will affect some disclosures in the financial statements of the Company.
- IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirement for use across IFRSs. The requirement does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The standard affects the determination of fair value and its related disclosures in the financial statements of the Company.

Other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2015 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2015.

The Company follows the practice of conducting actuarial valuation annually at the year

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

For The Half Year Ended December 31, 2015

end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in the unconsolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

Judgments and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of the unconsolidated financial statements for the year ended June 30, 2015.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2015.

4.1. Implication of revised IFRS-2 (Share Based Payments) on BESOS

In June 2011, the Securities & Exchange Commission of Pakistan on receiving representations from some of entities covered under Benazir Employees' Stock Option Scheme (the Scheme) and after having consulted the Institute of Chartered Accountants of Pakistan, granted exemption to such entities from the application of International Financial Reporting Standard (IFRS) 2 " Share-based Payment " to the Scheme. There has been no change in the status of the Scheme as stated in note 2.2 to the audited unconsolidated financial statements for the year ended June 30, 2015. The management believes that the Scheme is being revamped by the Government of Pakistan (GoP) and all claims and disbursements to unit holders are kept in abeyance by the Privatisation Commission since June 2010.

Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (June 30, 2015: Rs 18,879 million).

December 31, 2015 Unaudited	June 30, 2015 Audited
-----------------------------------	-----------------------------

Rs '000

5 PROPERTY, PLANT AND EQUIPMENT

Opening Net Book Value (NBV)	58,800,380	58,696,396
Additions to:		
- owned assets	3,180,537	14,582,404
- assets subject to finance leases	12,264	161,547
	3,192,801	14,743,951
	61,993,181	73,440,347
Disposals / adjustments during the period / year (NBV)	(10,908)	(5,467,587)
Depreciation / amortisation charged during the period / year	(4,722,000)	(9,172,380)
	57,260,273	58,800,380
Capital work-in-progress - note 5.1	45,233,261	34,973,554
	102,493,534	93,773,934

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

For The Half Year Ended December 31, 2015

December 31, 2015 Unaudited	June 30, 2015 Audited
-----------------------------------	-----------------------------

Rs '000

5.1. Capital work-in-progress

Plant, machinery, fittings and pipelines	14,257,004	10,663,290
Prospecting and development expenditures	17,424,227	11,634,341
Land, buildings and civil constructions	346,123	384,023
Capital stores for drilling and development	13,205,907	12,291,900
	<u>45,233,261</u>	<u>34,973,554</u>

6 LONG-TERM INVESTMENTS

Investment in related parties

- Wholly owned subsidiaries

The Pakistan Petroleum Provident Fund Trust

Company (Private) Limited

PPLP - note 6.1

PPLA

1	1
8,103,972	10,311,467
7,870,946	7,870,946
15,974,919	18,182,414

- Investment in BME

15,000

15,000

Other investments

Held-to-maturity

- Term Finance Certificates (TFCs)

- Pakistan Investment Bonds (PIBs)

- GoP Ijara Sukuk

- Local currency term deposits with banks

- Foreign currency term deposits with banks

99,760	99,780
22,401,747	22,523,986
-	500,000
2,000,000	2,000,000
13,603,754	11,028,077
38,105,261	36,151,843

Designated at fair value through profit or loss

- Mutual Funds

6,283,314

-

Less: Current maturities

- TFCs

- PIBs

- GoP Ijara Sukuk

(33,267)	(40)
(149,197)	(148,198)
-	(500,000)
(182,464)	(648,238)
60,196,030	53,701,019

- 6.1. During the current period, the Company carried out impairment testing of its investment in PPLP as required under IAS 36 'Impairment of Assets'. The Company considers the relationship between international crude oil prices and carrying value of its investment, among other factors, when reviewing for indicators of impairment. As at December 31, 2015, the international crude oil prices have further declined as compared to the forecasted oil prices used for the evaluation of recoverable amount of the investment as at June 30, 2015, indicating a potential impairment of its investment. The recoverable amount of the investment is Rs 8,104 million, which has been determined using the 'value-in-use' computations.

In assessing the value-in-use, estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the expected reserves and fields' profile. The pre-tax discount rate applied to cash flow projections is 15.11% (June 30, 2015: 15.50%).

As a result of the factors explained above, the Company has recorded a non-cash charge

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

For The Half Year Ended December 31, 2015

to income of Rs 2,207 million as impairment loss during the current period and reduced the carrying amount of the investment accordingly.

December 31, 2015	June 30, 2015
Unaudited	Audited

Rs '000

7. TRADE DEBTS

Unsecured and considered good

Related parties

Central Power Generation Company Limited (GENCO-II)	6,705,568	8,787,638
Sui Northern Gas Pipelines Limited (SNGPL)	19,224,807	17,911,494
Sui Southern Gas Company Limited (SSGCL)	21,753,861	22,420,463
Pak-Arab Refinery Limited (PARCO)	704,865	740,110
	48,389,101	49,859,705

Non-related parties

Attock Refinery Limited (ARL)	7,337,229	7,763,800
National Refinery Limited (NRL)	604,367	626,508
Others	606,789	504,065
	8,548,385	8,894,373
	56,937,486	58,754,078

Unsecured and considered doubtful

Non-related party

Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,156,220
Less: Provision for doubtful debts	(1,156,220)	(1,156,220)
	-	-
	56,937,486	58,754,078

7.1. The ageing of trade debts is as follows:

Neither past due nor impaired	14,598,031	17,974,406
Past due but not impaired:		
Related parties		
- within 90 days	13,923,692	13,230,409
- 91 to 180 days	10,785,945	9,896,373
- over 180 days	13,221,813	13,947,846
	37,931,450	37,074,628
Non-related parties		
- within 90 days	4,285,422	3,589,442
- 91 to 180 days	34,546	16,875
- over 180 days	88,037	98,727
	4,408,005	3,705,044
	56,937,486	58,754,078

- 7.2. Trade debts include overdue amount of Rs 37,857 million (June 30, 2015: Rs 37,073 million) receivable from the State controlled utility companies (GENCO-II, SNGPL and SSGCL) and Rs 5,639 million (June 30, 2015: Rs 4,863 million) overdue receivable from refineries (ARL, Byco, PARCO, NRL and Pakistan Refinery Limited) and various LPG customers.

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

- 7.3. The Company has filed a legal suit in the Sindh High Court (SHC) against Byco for recovery of overdues.

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

For The Half Year Ended December 31, 2015

	December 31, 2015 Unaudited	June 30, 2015 Audited
	Rs '000	
8. DEFERRED TAXATION		
(Deductible) / taxable temporary differences arising on account of:		
Exploration expenditure	(2,953,000)	(3,332,000)
Amortisation of intangible assets	(1,757)	2,048
Provision for staff retirement and other benefits	(690,888)	(928,386)
Provision for obsolete / slow moving stores	(40,553)	(41,861)
Provision for doubtful debts	(462,488)	(462,488)
Provision for decommissioning obligation	(373,220)	(444,393)
Accelerated tax depreciation allowances	5,379,112	5,848,653
Exploratory wells cost	8,200,996	7,755,838
Prospecting and development expenditures	12,067,200	10,288,414
Others	(3,510)	5,313
	<u>21,121,892</u>	<u>18,691,138</u>
9. TRADE AND OTHER PAYABLES		
Creditors	94,462	536,042
Accrued liabilities	4,163,971	3,925,183
Security deposits from LPG distributors	464,718	602,618
Retention money	36,934	57,913
Unpaid and unclaimed dividends	243,627	231,654
Gas development surcharge (GDS)	5,599,083	5,162,115
Gas infrastructure development cess (GIDC)	1,678,789	1,957,188
Royalties	3,722,109	5,191,988
Current accounts with joint operations partners	5,085,051	4,348,976
Liabilities for staff retirement benefit plans	-	803,071
Workers' Profits Participation Fund (WPPF)	841,828	-
Others	92,454	63,005
	<u>22,023,026</u>	<u>22,879,753</u>
10. CONTINGENCIES AND COMMITMENTS		
There are no major changes in the status of contingencies and commitments as disclosed in the audited annual unconsolidated financial statements for the year ended June 30, 2015.		
	Half year ended December 31, 2015	Half year ended December 31, 2014
	Rs '000	
11. SALES - net		
Gross sales		
Natural gas	39,420,474	44,920,739
Gas supplied to Sui villages	109,066	186,905
Internal consumption of gas	66,134	105,348
Crude oil / Condensate / NGL	12,933,262	25,116,617
LPG	1,702,314	2,040,205
	<u>54,231,250</u>	<u>72,369,814</u>
Government levies		
Federal excise duty	(962,874)	(931,501)
Sales tax	(6,051,589)	(6,914,044)
GIDC	(1,247,468)	(3,080,500)
GDS	(4,850,836)	(3,632,927)
	<u>(13,112,767)</u>	<u>(14,558,972)</u>
	<u>41,118,483</u>	<u>57,810,842</u>

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

For The Half Year Ended December 31, 2015

	Half year ended December 31, 2015	Half year ended December 31, 2014
	Rs '000	
12. FIELD EXPENDITURES		
Exploration	6,716,173	4,515,151
Development and drilling - note 12.1	3,021,750	3,355,130
Depreciation	2,139,039	2,075,662
Amortisation of intangible assets	56,732	99,655
Amortisation of decommissioning cost	288,810	626,775
Amortisation of prospecting and development expenditure	2,294,151	2,142,444
Salaries, wages, welfare and other benefits	4,683,092	3,533,541
Employees' medical benefits	215,481	219,147
Manpower development	26,216	19,872
Travelling and conveyance	291,555	265,974
Communication	17,769	11,235
Stores and spares consumed	720,520	535,552
Fuel and power	116,006	154,246
Rent, rates and taxes	67,178	51,143
Insurance	259,259	282,456
Repairs and maintenance	236,071	139,583
Professional services	21,800	21,010
Auditors' remuneration	2,276	2,205
Free supply of gas to Sui villages	109,066	186,905
Donations	17,968	78,506
Social welfare / community development	46,020	20,477
Other expenses	89,755	70,625
	21,436,687	18,407,294
Recoveries	(1,462,849)	(967,296)
	19,973,838	17,439,998

12.1. These are net of insurance claim received of Rs 1,017 million (December 2014: Rs 97 million) during the current period in respect of sabotage activity at Sui gas field during the year ended June 30, 2011.

	Half year ended December 31, 2015	Half year ended December 31, 2014
	Rs '000	
13. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	164,287	257,540
Income on term deposits	562,509	1,021,850
Income on long-term held-to-maturity investments	1,379,211	1,524,948
Income from investment in treasury bills	94,423	279,723
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	118,617	488,259
	2,319,047	3,572,320
Income from assets other than financial assets		
Rental income on assets	174,413	61,862
Profit on sale of property, plant and equipment (net)	7,294	8,131
Exchange gain on foreign currency	406,333	233,024
Share of profit on sale of LPG	82,491	146,409
Others	21,392	9,475
	691,923	458,901
	3,010,970	4,031,221

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

For The Half Year Ended December 31, 2015

	Half year ended December 31, 2015	Half year ended December 31, 2014
	Rs '000	
14. OTHER OPERATING EXPENSES		
WPPF	841,828	1,742,414
Impairment loss - note 6.1	2,207,495	2,456,959
	<u>3,049,323</u>	<u>4,199,373</u>
15. FINANCE COST		
Interest on WPPF	-	76
Finance charges for liabilities against assets subject to finance leases	19,158	19,014
Unwinding of discount on decommissioning obligation	308,748	257,747
	<u>327,906</u>	<u>276,837</u>
16. TAXATION		
Current		
- For the half year	2,279,071	9,036,804
- For the prior year	(472,943)	97,246
	<u>1,806,128</u>	<u>9,134,050</u>
Deferred	2,430,754	1,832,757
	<u>4,236,882</u>	<u>10,966,807</u>
17. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,413,559	1,508,750
Short-term highly liquid investments	17,330,000	19,616,364
	<u>18,743,559</u>	<u>21,125,114</u>
18. TRANSACTIONS WITH RELATED PARTIES		

The related parties comprise state controlled entities, subsidiary companies, associated companies, joint arrangements, companies where directors also hold directorship, key management personnel and other related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these unconsolidated condensed interim financial statements are as follows:

	Half year ended December 31, 2015	Half year ended December 31, 2014
	Rs '000	
Sale of gas to State controlled entities (including Government Levies)		
- GENCO-II	9,588,930	11,440,990
- SSGCL	7,672,069	8,010,094
- SNGPL	22,159,475	25,469,655
	<u>39,420,474</u>	<u>44,920,739</u>

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

For The Half Year Ended December 31, 2015

	Half year ended December 31, 2015	Half year ended December 31, 2014
	Rs '000	
Trade debts and other receivables from State controlled entities as at December 31	48,016,674	47,447,124
Transactions with subsidiaries		
Receivable from PPLA	25,839	19,789
Receivable from PPLA, Iraq Branch	323,528	184,941
Receivable from PPLE	16,571	47,432
Interest income on long term loan to PPLE	19,953	17,667
Long-term loan receivable from PPLE	1,180,481	1,130,824
Payment of employees cost on secondment	32,747	14,178
Transactions with Associated Companies		
Sales of crude oil / condensate	1,734,012	3,512,733
Transactions with Bolan Mining Enterprises		
Purchase of goods	78,741	20,353
Reimbursement of employee cost on secondment	16,103	10,640
Transactions with Joint Operations		
Payments of cash calls to joint operations	22,711,194	15,543,491
Expenditures incurred by the joint operations	23,092,723	16,879,789
Current account receivables relating to joint operations as at December 31	1,607,722	2,993,896
Current account payables relating to joint operations as at December 31	160,496	18,030
Under advance balances relating to joint operations as at December 31	2,685,396	2,043,631
Income from rental of assets to joint operations	174,413	61,862
Other related parties		
Dividend to GoP	5,324,242	9,982,954
Dividend to Trust under BESOS	579,876	1,087,268
Transactions with retirement benefit funds	411,787	332,036
Remuneration to key management personnel	1,202,203	783,173
Payment of rental to Pakistan Industrial Development Corporation	39,330	33,080
Payment to National Insurance Company Limited	682,173	417,212
Payment to Pakistan State Oil Company Limited	243,622	276,158

- 18.1. Aggregate amount charged in these unconsolidated condensed interim financial statements in respect of fees paid to seven non-executive directors was Rs 7.990 million (December 2014: Rs 6.800 million).

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

For The Half Year Ended December 31, 2015

	Half year ended December 31, 2015	Half year ended December 31, 2014
19. EARNINGS PER SHARE		
19.1. Basic earnings per share		
Profit after taxation (Rs'000)	11,757,845	22,138,952
Dividend on convertible preference shares (Rs'000)	(37)	(37)
Profit attributable to ordinary shareholders (Rs'000)	<u>11,757,808</u>	<u>22,138,915</u>
Weighted average number of ordinary shares in issue	<u>1,971,717,099</u>	<u>1,971,716,579</u>
Basic earnings per share (Rs)	5.96	11.23
19.2. Diluted earnings per share		
Profit after taxation (Rs'000)	11,757,845	22,138,952
Weighted average number of ordinary shares in issue	1,971,717,099	1,971,716,579
Adjustment for convertible preference shares	12,356	12,876
Weighted average number of ordinary shares for diluted earnings per share	<u>1,971,729,455</u>	<u>1,971,729,455</u>
Diluted earnings per share (Rs)	5.96	11.23

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on February 16, 2016 by the Board of Directors of the Company.

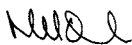
21. INTERIM DIVIDEND

The Board of Directors in their meeting held on February 16, 2016 have approved interim cash dividend @ 22.5% amounting to Rs 4,436.364 million (December 2014: @ 45% amounting to Rs 8,872.727 million) on paid-up value of ordinary share capital and @ 22.5% amounting to Rs 0.028 million (December 2014: @ 30% amounting to Rs 0.037 million) on the paid-up value of convertible preference share capital.

22. GENERAL

22.1. Corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary.

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



Director



Chief Executive

Consolidated
Condensed Interim
Financial Statements

Auditors' Report to the Members on Review of Consolidated Condensed Interim Financial Information

Introduction

We have reviewed the accompanying consolidated condensed interim balance sheet of Pakistan Petroleum Limited and its subsidiaries (the Group) as at December 31, 2015 and the related consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim cash flow statement together with the notes forming part thereof for the six months period then ended (here-in-after referred to as the 'consolidated condensed interim financial information'). Management is responsible for the preparation and presentation of this consolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this consolidated condensed interim financial information based on our review.

The figures included in the consolidated condensed interim profit and loss account and consolidated condensed interim statement of comprehensive income for quarters ended December 31, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2015.

Scope of Review

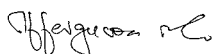
We conducted our review in accordance with International Standards on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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 consolidated condensed interim financial information as of and for the six months period ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The comparative information for the consolidated condensed interim balance sheet is based on the audited financial statements of the Group as at June 30, 2015, which were audited by another firm of Chartered Accountants who through their report dated August 24, 2015, expressed an unqualified opinion thereon. The comparative information for the consolidated condensed interim profit and loss account, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of changes in equity and consolidated condensed interim cash flow statement, and related explanatory notes, for the period ended December 31, 2014 were not audited or reviewed.



Chartered Accountants

Karachi, February 16, 2016

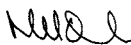
Engagement partner: Khurshid Hasan

Consolidated Condensed Interim Balance Sheet

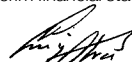
As At December 31, 2015

	Note	December 31, 2015 Unaudited	June 30, 2015 Audited
Rs '000			
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	6	112,994,669	106,696,685
Intangible assets		256,081	259,294
		113,250,750	106,955,979
Equity-accounted investment			
Long-term investments	7	1,110,007	973,687
Long-term loans		44,206,112	35,503,606
Long-term deposits		22,471	26,646
Long-term receivables		765,176	765,176
		253,352	315,418
		159,607,868	144,540,512
CURRENT ASSETS			
Stores and spares	8	4,681,105	3,890,333
Trade debts		57,002,443	58,892,017
Loans and advances		2,457,458	2,156,096
Trade deposits and short-term prepayments		360,246	81,327
Interest accrued		1,484,807	1,420,963
Current maturity of long-term investments	7	182,464	648,238
Current maturity of long-term receivables		62,066	60,632
Other receivables		2,819,492	7,191,851
Short-term investments	9	27,048,204	29,610,259
Taxation - net		287,608	743,599
Cash and bank balances		2,172,462	3,178,177
		98,558,355	107,873,492
TOTAL ASSETS		258,166,223	252,414,004
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		19,717,295	19,717,295
Reserves		178,294,212	173,552,154
		198,011,507	193,269,449
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		12,392,795	12,068,746
Liabilities against assets subject to finance leases		195,135	209,647
Deferred liabilities		2,228,670	2,098,135
Deferred taxation	10	22,129,544	20,829,177
		36,946,144	35,205,705
CURRENT LIABILITIES			
Trade and other payables	11	23,111,424	23,830,730
Current maturity of liabilities against assets subject to finance leases		97,148	108,120
		23,208,572	23,938,850
TOTAL LIABILITIES		60,154,716	59,144,555
TOTAL EQUITY AND LIABILITIES		258,166,223	252,414,004
CONTINGENCIES AND COMMITMENTS			
	12		

The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.



Director



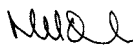
Chief Executive

Consolidated Condensed Interim Profit and Loss Account (Unaudited)

For The Half Year Ended December 31, 2015

	Note	Quarter ended December 31, 2015	Quarter ended December 31, 2014	Half year ended December 31, 2015	Half year ended December 31, 2014
		Rs '000		Rs '000	
Sales - net	13	20,738,075	27,146,796	41,474,013	58,419,096
Field expenditures	14	(9,407,611)	(9,094,287)	(20,744,105)	(18,162,747)
Royalties		(2,407,576)	(3,164,941)	(4,818,548)	(6,883,474)
		(11,815,187)	(12,259,228)	(25,562,653)	(25,046,221)
		8,922,888	14,887,568	15,911,360	33,372,875
Share of profit in equity - accounted investment		93,120	102,400	136,320	165,600
Other income	15	1,495,886	1,764,649	3,013,230	4,050,972
Other operating expenses	16	(2,998,601)	(2,676,587)	(3,430,516)	(3,712,052)
Finance costs	17	(166,483)	(152,970)	(332,887)	(304,967)
Profit before taxation		7,346,810	13,925,060	15,297,507	33,572,428
Taxation	18	(1,041,453)	(4,956,897)	(3,234,225)	(10,925,888)
Profit after taxation		6,305,357	8,968,163	12,063,282	22,646,540
Basic and diluted earnings per share (Rs)	21	3.20	4.55	6.12	11.49

The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.



Director



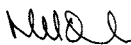
Chief Executive

Consolidated Condensed Interim Statement of Comprehensive Income (Unaudited)

For The Half Year Ended December 31, 2015

	Quarter ended December 31, 2015	Quarter ended December 31, 2014	Half year ended December 31, 2015	Half year ended December 31, 2014
	Rs '000		Rs '000	
Profit after taxation	6,305,357	8,968,163	12,063,282	22,646,540
Other comprehensive income potentially reclassifiable to profit and loss account in subsequent years				
Foreign exchange differences on translation of subsidiaries	10,059	(519,250)	565,644	428,408
Total comprehensive income	6,315,416	8,448,913	12,628,926	23,074,948

The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.



Director



Chief Executive

Consolidated Condensed Interim Cash Flow Statement (Unaudited)

For The Half Year Ended December 31, 2015

Note	Half year ended December 31, 2015	Half year ended December 31, 2014
------	---	---

Rs '000

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers	56,525,116	64,745,668
Receipts of other income	278,504	217,746
Cash paid to suppliers / service providers and employees	(13,510,244)	(12,156,317)
Payment of indirect taxes and Government levies including royalty	(18,152,471)	(17,167,622)
Income tax paid	(1,544,577)	(9,907,573)
Finance costs paid	(22,769)	(42,331)
Long-term loans - staff (net)	4,175	555
Net cash generated from operating activities	23,577,734	25,690,126

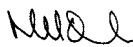
CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditure (net)	(13,820,535)	(12,802,063)
Proceeds from sale of property, plant and equipment	12,842	18,993
Purchase of long-term investments	(10,520,308)	(3,469,707)
Disposal / redemption of long-term investments	2,462,344	2,155,020
Long-term receivables	60,632	-
Financial income received	2,301,332	3,076,995
Net cash used in investing activities	(19,503,693)	(11,020,762)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of liabilities against assets subject to finance leases	(66,599)	(56,564)
Dividends paid	(7,874,895)	(14,787,878)
Net cash used in financing activities	(7,941,494)	(14,844,442)
Net decrease in cash and cash equivalents	(3,867,453)	(175,078)
Cash and cash equivalents at the beginning of the period	32,788,436	30,971,791
Net foreign exchange differences	299,683	158,200
Cash and cash equivalents at the end of the period	29,220,666	30,954,913

The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.



Director



Chief Executive

Consolidated Condensed Interim Statement of Changes In Equity (Unaudited)

For The Half Year Ended December 31, 2015

	Subscribed and paid-up share capital		Capital reserve	General and contingency reserve	Insurance reserve	Assets acquisition reserve	Dividend equalisation reserve	Revenue reserves				Total reserves	Total
	Ordinary	Convertible preference						Unappropriated profit	Transition reserve	Total			
Balance as at July 1, 2014 (Audited)	19,717,157	-	1,428	69,761	29,021,894	18,751,980	5,000,000	109,357,106	653,603	161,847,138	161,848,966	181,595,861	
Comprehensive income for the period													
Profit after taxation	-	-	-	-	-	-	-	22,946,540	-	22,946,540	22,946,540	22,946,540	
Other comprehensive income for the half year ended December 31, 2014 - net of tax	-	-	-	-	-	-	-	-	428,408	428,408	428,408	428,408	
Total comprehensive income for the half year ended December 31, 2014	-	-	-	-	-	-	-	22,946,540	428,408	23,074,948	23,074,948	23,074,948	
Appropriation of insurance reserve for the year ended June 30, 2014	-	-	-	5,000,000	-	-	-	(5,000,000)	-	-	-	-	
Appropriation of assets acquisition reserve for the year ended June 30, 2014	-	-	-	-	-	5,000,000	-	(5,000,000)	-	-	-	-	
Conversion of preference shares into ordinary shares	14	(14)	-	-	-	-	-	-	-	-	-	-	
Transaction with owners	-	-	-	-	-	-	-	-	-	-	-	-	
Final dividend on ordinary shares @ 75% for the year ended June 30, 2014	-	-	-	-	-	-	-	(14,787,878)	-	(14,787,878)	(14,787,878)	(14,787,878)	
Balance as at December 31, 2014 (Unaudited)	19,717,171	-	1,428	69,761	34,021,894	23,751,980	5,000,000	107,215,768	74,805	170,134,208	170,135,636	189,852,831	
Balance as at July 1, 2015 (Audited)	19,717,171	-	1,428	69,761	34,021,894	23,751,980	5,000,000	110,426,333	280,758	173,550,726	173,552,154	193,269,449	
Comprehensive income for the period													
Profit after taxation	-	-	-	-	-	-	-	12,063,282	-	12,063,282	12,063,282	12,063,282	
Other comprehensive income for the half year ended December 31, 2015 - net of tax	-	-	-	-	-	-	-	-	565,644	565,644	565,644	565,644	
Total comprehensive income for the half year ended December 31, 2015	-	-	-	-	-	-	-	12,063,282	565,644	12,628,926	12,628,926	12,628,926	
Conversion of preference shares into ordinary shares	1	(1)	-	-	-	-	-	-	-	-	-	-	
Transaction with owners	-	-	-	-	-	-	-	-	-	-	-	-	
Final dividend on ordinary shares @ 40% for the year ended June 30, 2015	-	-	-	-	-	-	-	(7,896,898)	-	(7,896,898)	(7,896,898)	(7,896,898)	
Balance as at December 31, 2015 (Unaudited)	19,717,172	-	1,428	69,761	34,021,894	23,751,980	5,000,000	114,602,747	846,402	178,292,784	178,294,212	198,011,507	

The annexed notes 1 to 24 form an integral part of these consolidated condensed interim financial statements.



Director



Chief Executive

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

For The Half Year Ended December 31, 2015

1. LEGAL STATUS AND OPERATIONS

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

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

Pakistan Petroleum Limited

The Holding Company was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The Holding Company is listed on all the three stock exchanges of Pakistan with effect from September 16, 2004. Effective January 11, 2016, all three stock exchanges have been integrated to form Pakistan Stock Exchange. The registered office of the Holding Company is located at PIDC House, Dr. Ziauddin Ahmed Road, Karachi, Pakistan.

The Sui Mining Lease expired on May 31, 2015. Accordingly, application for extension / renewal was filed by the Holding Company with the Government of Pakistan (GoP). The GoP, through SRO_(I)/2015 dated May 30, 2015, allowed the Holding Company to continue production from the Sui Mining Lease area for a further period of one year with effect from the expiry of the existing lease period i.e. May 31, 2015.

The management is confident that the Holding Company will be allowed further extension in order to continue production from the Sui Mining Lease.

PPL Europe E&P Limited

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

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

PPL Asia E&P B.V.

The Holding Company has established a wholly-owned subsidiary, PPLA on July 22, 2013, a company incorporated in Amsterdam, Kingdom of Netherlands. The registered office of PPLA is situated at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.

PPLA's main objective is exploration and production of oil and gas and currently it owns 100% interest in Block-8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq.

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

For The Half Year Ended December 31, 2015

The Pakistan Petroleum Provident Fund Trust Company (Private) Limited

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

- 1.2. There has been no change in the investment in BME and joint arrangements, as disclosed in note 7 and note 35 to the consolidated financial statements for the year ended June 30, 2015.

2. BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, except PPPFTC as mentioned in note 3.3 to these consolidated financial statements, here-in-after referred to as "the Group".

A company is a subsidiary, if an entity (the Holding Company) directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the profit and loss account from the date the Group gains control until the date the Group ceases to control the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Holding Company, using consistent accounting policies. However, the accounting policies of subsidiaries have been changed to conform with accounting policies of the Group, wherever needed.

All intra-group balances, transactions and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Where the ownership of a subsidiary is less than 100% and, therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the assets (including goodwill) and liabilities of the subsidiary, carrying amount of any NCI, cumulative translation differences recognised in equity, and recognises fair value of consideration received, any investment retained, surplus or deficit in profit and loss account, and reclassifies the Holding Company share of components previously recognised in other comprehensive income to profit and loss account or retained earnings, as appropriate.

The assets, liabilities, income and expenses of subsidiary companies are consolidated on a line by line basis and the carrying value of investments held by the Holding Company is eliminated against the subsidiary companies' shareholders' equity in the consolidated financial statements.

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

For The Half Year Ended December 31, 2015

The presentation and functional currency of the Holding Company as well as PPPFTC is Pakistani Rupee and the functional currency of other subsidiary companies is US Dollar. For the purpose of consolidation, the financial statements of the subsidiary companies are translated to functional currency of the Holding Company.

3. BASIS OF PREPARATION

- 3.1. The consolidated condensed interim financial statements have been prepared in accordance with the requirements of International Accounting Standard – 34, 'Interim Financial Reporting' as applicable in Pakistan and the provisions and directives of the Companies Ordinance, 1984 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. These consolidated condensed interim financial statements are not audited and do not include all of the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2015.
- 3.2. These consolidated condensed interim financial statements comprise of the consolidated condensed interim balance sheet as at December 31, 2015 and the consolidated condensed interim profit and loss account, the consolidated condensed interim statement of changes in equity, the consolidated condensed interim cash flow statement and notes thereto for the half year then ended which have been subjected to a limited review in accordance with the listing regulations but not audited. These consolidated condensed interim financial statements also include the consolidated condensed interim profit and loss account for the quarter ended December 31, 2015 which has neither been reviewed nor audited.
- 3.3. The Securities and Exchange Commission of Pakistan (SECP) through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004 has exempted the Holding Company from consolidation of financial statements in respect of its investment in PPPFTC, a wholly owned subsidiary under section 237 of the Companies Ordinance, 1984. Accordingly, the Group has not consolidated the subsidiary in its consolidated condensed interim financial statements for the half year ended December 31, 2015.
- 3.4. **Standards, interpretations and amendments to published approved accounting standards that are effective and relevant**

Following standards, amendments to standards and interpretations have been published and are mandatory for accounting periods beginning on or after July 1, 2015 and are considered to be relevant to the Group's operations.

- IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in determination of control where this is difficult to assess. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Standard has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. However, the aforesaid revision in control framework has no impact on the Group's financial statements.

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

For The Half Year Ended December 31, 2015

- Under IFRS 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure of the arrangements, the legal form of any separate vehicles, the contractual terms of the arrangements and other facts and circumstances. The Group has assessed the nature of its joint arrangements and determined them to be joint operations. In respect of investment in BME, the Holding Company has a Joint Venture Agreement with Government of Balochistan. In view of possible changes the final assessment of the subject arrangement is expected to be finalised by the year end.
- IFRS 12 'Disclosure of interest in Other entities' combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The standard will affect some disclosures in the financial statements of the Group.
- IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirement for use across IFRSs. The requirement does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The standard affects the determination of fair value and its related disclosures in the financial statements of the Group.

Other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2015 are considered not to be relevant or to have any significant effect on the Group's financial reporting and operations.

4. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2015.

The Group follows the practice of conducting actuarial valuation annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in the consolidated condensed interim financial statements.

5. ACCOUNTING ESTIMATES, JUDGMENTS AND FINANCIAL RISK MANAGEMENT

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

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

For The Half Year Ended December 31, 2015

Judgments and estimates made by the management in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the consolidated financial statements for the year ended June 30, 2015.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2015.

5.1. Implication of revised IFRS-2 (Share Based Payments) on BESOS

In respect of the Holding Company, in June 2011, the Securities & Exchange Commission of Pakistan on receiving representations from some of entities covered under Benazir Employees' Stock Option Scheme (the Scheme) and after having consulted the Institute of Chartered Accountants of Pakistan, granted exemption to such entities from the application of International Financial Reporting Standard (IFRS) 2 "Share-based Payment" to the Scheme. There has been no change in the status of the Scheme as stated in note 3.2 to the audited consolidated financial statements for the year ended June 30, 2015. The management believes that the Scheme is being revamped by the GoP and claims and disbursements to the unit holders are kept in abeyance by the Privatisation Commission since June 2010.

Had the exemption not been granted, retained earnings and reserves would have been lower and higher by Rs 18,879 million (June 30, 2015: Rs 18,879 million).

December 31, 2015	June 30, 2015
Unaudited	Audited
Rs '000	

6. PROPERTY, PLANT AND EQUIPMENT

Opening Net Book Value (NBV)	60,542,740	61,507,149
Additions to:		
- owned assets	3,193,275	14,730,575
- assets subject to finance leases	12,264	161,547
	<u>3,205,539</u>	<u>14,892,122</u>
	63,748,279	76,399,271
Disposals / adjustments during the period / year (NBV)	31,939	(5,385,444)
Impairment loss - note 6.2	(380,124)	(249,706)
Depreciation / amortisation charged during the period / year	<u>(5,144,793)</u>	<u>(10,221,381)</u>
	58,255,301	60,542,740
Capital work-in-progress - note 6.1	<u>54,739,368</u>	<u>46,153,945</u>
	<u>112,994,669</u>	<u>106,696,685</u>

6.1 Capital work-in-progress

Plant, machinery, fittings and pipelines	14,261,242	10,667,528
Prospecting and development expenditures	28,804,610	23,628,979
Land, buildings and civil constructions	346,123	384,023
Capital stores for drilling and development	<u>13,535,957</u>	<u>12,608,682</u>
	56,947,932	47,289,212
Impairment loss on prospecting and development expenditures- note 6.2	<u>(2,208,564)</u>	<u>(1,135,267)</u>
	<u>54,739,368</u>	<u>46,153,945</u>

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

For The Half Year Ended December 31, 2015

- 6.2. During the current period, the Group carried out impairment testing of the cash-generating unit (CGU) i.e. PPL Europe E&P Limited as required under IAS 36 - 'Impairment of Assets'. The Group considers the relationship between international crude oil prices and carrying value of the CGU, among other factors, when reviewing for indicators of impairment. As at December 31, 2015, the international crude oil prices have further declined as compared to the forecasted oil prices used for the evaluation of recoverable amount of the CGU as at June 30, 2015, indicating a potential impairment. The recoverable amount of the CGU has been determined using 'value-in-use' computations.

In assessing the value-in-use, estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the expected reserves and fields' profile. The pre-tax discount rate applied to cash flow projections is 15.11% (June 30, 2015: 15.50%).

As a result of the factors explained above, the Group has recorded a non-cash charge to income of Rs 2,589 million as impairment loss during the current period and allocated to the assets of the CGU prorata on the basis of carrying amount of each asset in the CGU. Consequently, impact of reversal of deferred tax liability due to recognition of impairment loss, has also been accounted for in these consolidated condensed interim financial statements.

December 31, 2015 Unaudited	June 30, 2015 Audited
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Rs '000

7. LONG-TERM INVESTMENTS

Investment in related party

- wholly owned subsidiary

Fully paid shares in PPPFTC – note 3.3

1

1

Other investments

Held-to-maturity

- Term Finance Certificates (TFCs)

99,760

99,780

- Pakistan Investment Bonds (PIBs)

22,401,747

22,523,986

- GoP Ijara Sukuk

-

500,000

- Local currency term deposits with banks

2,000,000

2,000,000

- Foreign currency term deposits with banks

13,603,754

11,028,077

38,105,261

36,151,843

Designated at fair value through profit or loss

- Mutual Funds

6,283,314

-

Less: Current maturities

- TFCs

(33,267)

(40)

- PIBs

(149,197)

(148,198)

- GoP Ijara Sukuk

-

(500,000)

(182,464)

(648,238)

44,206,112

35,503,606

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

For The Half Year Ended December 31, 2015

	December 31, 2015 Unaudited	June 30, 2015 Audited
	Rs '000	
8. TRADE DEBTS		
Unsecured and considered good		
Related parties		
Central Power Generation Company Limited (GENCO-II)	6,705,568	8,787,638
Sui Northern Gas Pipelines Limited (SNGPL)	19,265,009	17,987,842
Sui Southern Gas Company Limited (SSGCL)	21,778,616	22,482,054
Pak-Arab Refinery Limited (PARCO)	704,865	740,110
	48,454,058	49,997,644
Non-related parties		
Attock Refinery Limited (ARL)	7,337,229	7,763,800
National Refinery Limited (NRL)	604,367	626,508
Others	606,789	504,065
	8,548,385	8,894,373
	57,002,443	58,892,017
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,156,220
Less: Provision for doubtful debts	(1,156,220)	(1,156,220)
	-	-
	57,002,443	58,892,017
8.1 The ageing of trade debts is as follows:		
Neither past due nor impaired	14,639,305	18,112,345
Past due but not impaired:		
Related parties		
- within 90 days	13,946,643	13,230,409
- 91 to 180 days	10,786,677	9,896,373
- over 180 days	13,221,813	13,947,846
	37,955,133	37,074,628
Non-related parties		
- within 90 days	4,285,422	3,589,442
- 91 to 180 days	34,546	16,875
- over 180 days	88,037	98,727
	4,408,005	3,705,044
	57,002,443	58,892,017
8.2. Trade debts include overdue amount of Rs 37,881 million (June 30, 2015: Rs 37,073 million) receivable from the State controlled utility companies (GENCO-II, SNGPL and SSGCL) and Rs 5,639 million (June 30, 2015: Rs 4,863 million) overdue receivable from refineries (ARL, Byco, PARCO, NRL and Pakistan Refinery Limited) and various LPG customers.		

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

For The Half Year Ended December 31, 2015

Based on the measures being undertaken by the GoP, the Holding Company considers the overdue amount to be fully recoverable and therefore, no further provision for doubtful debts has been made in these consolidated condensed interim financial statements, except for provision against receivable from Byco.

- 8.3. The Company has filed a legal suit in the Sindh High Court (SHC) against Byco for recovery of overdues.

	December 31, 2015 Unaudited	June 30, 2015 Audited
	Rs '000	
9. SHORT-TERM INVESTMENTS		
Held-to-maturity		
Local currency term deposits with banks	17,330,000	21,455,000
Foreign currency term deposits with banks	9,718,204	8,155,259
	<u>27,048,204</u>	<u>29,610,259</u>
10. DEFERRED TAXATION		
(Deductible) / taxable temporary differences arising on account of:		
Exploration expenditure	(2,953,000)	(3,332,000)
Amortisation of intangible assets	(1,757)	2,048
Provision for staff retirement and other benefits	(690,888)	(928,386)
Provision for obsolete / slow moving stores	(40,553)	(41,861)
Provision for doubtful debts	(462,488)	(462,488)
Provision for decommissioning obligation	(373,220)	(444,393)
Accelerated tax depreciation allowances	5,188,621	5,681,404
Exploratory wells cost	8,200,996	7,755,838
Prospecting and development expenditures	13,265,343	12,631,399
Tax losses and credits	-	(37,697)
Others	(3,510)	5,313
	<u>22,129,544</u>	<u>20,829,177</u>
11. TRADE AND OTHER PAYABLES		
Creditors	94,462	536,042
Accrued liabilities	4,272,533	3,989,176
Security deposits from LPG distributors	464,718	602,618
Retention money	36,934	57,913
Unpaid and unclaimed dividends	243,627	231,654
Gas development surcharge (GDS)	5,599,083	5,162,115
Gas infrastructure development cess (GIDC)	1,678,789	1,957,188
Sales tax (net)	3,461	9,662
Royalties	3,723,162	5,191,988
Current accounts with joint operations partners	5,301,316	4,493,899
Liabilities for staff retirement benefit plans	-	803,071
Workers' Profits Participation Fund (WPPF)	841,828	-
Contractual obligations for Iraq EDPSC	738,890	716,779
Others	112,621	78,625
	<u>23,111,424</u>	<u>23,830,730</u>
12. CONTINGENCIES AND COMMITMENTS		

There are no major changes in the status of contingencies and commitments as disclosed in the consolidated financial statements for the year ended June 30, 2015.

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

For The Half Year Ended December 31, 2015

	Half year ended December 31, 2015	Half year ended December 31, 2014
	Rs '000	
13. SALES - net		
Gross sales		
Natural gas	39,838,259	45,632,796
Gas supplied to Sui villages	109,066	186,905
Internal consumption of gas	66,134	105,348
Crude oil / Condensate / NGL	12,933,262	25,116,617
LPG	1,702,314	2,040,205
	<u>54,649,035</u>	<u>73,081,871</u>
Government levies		
Federal excise duty	(962,874)	(931,501)
Sales tax	(6,113,844)	(7,017,847)
GIDC	(1,247,468)	(3,080,500)
GDS	(4,850,836)	(3,632,927)
	<u>(13,175,022)</u>	<u>(14,662,775)</u>
	<u>41,474,013</u>	<u>58,419,096</u>
14. FIELD EXPENDITURES		
Exploration	6,992,827	4,685,270
Development and drilling – note 14.1	3,060,163	3,399,278
Depreciation	2,139,636	2,079,714
Amortisation of intangible assets	56,732	99,655
Amortisation of decommissioning cost	298,978	633,081
Amortisation of prospecting and development expenditure	2,706,177	2,581,147
Salaries, wages, welfare and other benefits	4,688,368	3,555,724
Employees' medical benefits	215,481	219,147
Manpower development	26,216	19,872
Travelling and conveyance	292,325	267,640
Communication	17,828	11,419
Stores and spares consumed	720,520	535,552
Fuel and power	116,063	154,613
Rent, rates and taxes	69,230	55,555
Insurance	259,851	283,222
Repairs and maintenance	237,167	140,717
Professional services	39,569	25,187
Auditors' remuneration	3,783	2,772
Free supply of gas to Sui villages	109,066	186,905
Donations	17,968	78,506
Social welfare / community development	46,020	20,477
Other expenses	92,986	94,590
	<u>22,206,954</u>	<u>19,130,043</u>
Recoveries	(1,462,849)	(967,296)
	<u>20,744,105</u>	<u>18,162,747</u>

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

For The Half Year Ended December 31, 2015

- 14.1. These are net of insurance claim received of Rs 1,017 million (December 2014: Rs 97 million) during the current period in respect of sabotage activity caused at Sui gas field during the year ended June 30, 2011.

Half year ended December 31, 2015	Half year ended December 31, 2014
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Rs '000

15. OTHER INCOME

Income from financial assets

Income on loans and bank deposits	144,334	276,716
Income on term deposits	587,889	1,021,850
Income on long-term held-to-maturity investments	1,379,211	1,524,948
Income from investment in treasury bills	94,423	279,723
Gain on re-measurement / disposal of investments designated at fair value through profit or loss (net)	118,617	488,259
	<u>2,324,474</u>	<u>3,591,496</u>

Income from assets other than financial assets

Rental income on assets	174,413	61,862
Profit on sale of property, plant and equipment (net)	7,294	8,131
Exchange gain on foreign currency (net)	402,958	233,024
Share of profit on sale of LPG	82,491	146,409
Others	21,600	10,050
	<u>688,756</u>	<u>459,476</u>
	<u>3,013,230</u>	<u>4,050,972</u>

16. OTHER OPERATING EXPENSES

WPPF	841,828	1,742,414
Impairment loss - note 6.2	2,588,688	1,969,638
	<u>3,430,516</u>	<u>3,712,052</u>

17. FINANCE COSTS

Interest on WPPF	-	76
Financial charges for liabilities against assets subject to finance leases	19,157	42,503
Unwinding of discount on decommissioning obligation	313,730	262,388
	<u>332,887</u>	<u>304,967</u>

18. TAXATION

Current		
- For the half year	2,340,143	9,036,804
- For the prior year	(349,939)	97,146
	<u>1,990,204</u>	<u>9,133,950</u>
Deferred	1,244,021	1,791,938
	<u>3,234,225</u>	<u>10,925,888</u>

19. CASH AND CASH EQUIVALENTS

Cash and bank balances	2,172,462	3,291,522
Short-term highly liquid investments	27,048,204	27,663,391
	<u>29,220,666</u>	<u>30,954,913</u>

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

For The Half Year Ended December 31, 2015

20. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of state controlled entities, associated companies, joint arrangements, companies where directors also hold directorship, key management personnel and other related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these consolidated condensed interim financial statements are as follows:

	Half year ended December 31, 2015	Half year ended December 31, 2014
	Rs '000	
Sale of gas to State controlled entities (including Government Levies)		
- GENCO-II	9,588,930	11,440,990
- SSGCL	7,866,828	8,072,031
- SNGPL	22,382,512	26,119,741
	<u>39,838,270</u>	<u>45,632,762</u>
Trade debts and other receivables from State controlled entities as at December 31	<u>48,081,631</u>	<u>47,688,749</u>
Transactions with Associated Companies		
Sales of crude oil / condensate	<u>1,734,012</u>	<u>3,512,733</u>
Transactions with Bolan Mining Enterprises		
Purchase of goods	<u>78,741</u>	<u>20,353</u>
Reimbursement of employee cost on secondment	<u>16,103</u>	<u>10,640</u>
Transactions with Joint Operations		
Payments of cash calls to joint operations	<u>22,929,467</u>	<u>15,787,902</u>
Expenditures incurred by the joint operations	<u>23,419,133</u>	<u>17,155,926</u>
Current account receivables relating to joint operations as at December 31	<u>1,657,128</u>	<u>3,030,590</u>
Current account payables relating to joint operations as at December 31	<u>376,761</u>	<u>117,366</u>
Under advance balances relating to joint operations as at December 31	<u>2,685,396</u>	<u>2,043,631</u>
Income from rental of assets to joint operations	<u>174,413</u>	<u>61,862</u>
Other related parties		
Dividend to GoP	<u>5,324,242</u>	<u>9,982,954</u>
Dividend to Trust under BESOS	<u>579,876</u>	<u>1,087,268</u>
Transactions with retirement benefit funds	<u>411,787</u>	<u>335,075</u>
Remuneration to key management personnel	<u>1,207,509</u>	<u>798,987</u>
Payment of rental to Pakistan Industrial Development Corporation	<u>39,330</u>	<u>33,080</u>
Payment to National Insurance Company Limited	<u>682,173</u>	<u>417,212</u>
Payment to Pakistan State Oil Company Limited	<u>243,622</u>	<u>276,158</u>

20.1. Aggregate amount charged in these consolidated condensed interim financial statements in respect of fees paid to seven non-executive directors was Rs 7.990 million (December 2014: Rs 6.800 million).

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

For The Half Year Ended December 31, 2015

	Half year ended December 31, 2015	Half year ended December 31, 2014
21. EARNINGS PER SHARE		
21.1. Basic earnings per share		
Profit after taxation (Rs'000)	12,063,282	22,646,540
Dividend on convertible preference shares (Rs'000)	(37)	(37)
Profit attributable to ordinary shareholders (Rs'000)	12,063,245	22,646,503
Weighted average number of ordinary shares in issue	1,971,717,099	1,971,716,579
Basic earnings per share (Rs)	6.12	11.49
21.2. Diluted earnings per share		
Profit after taxation (Rs'000)	12,063,282	22,646,540
Weighted average number of ordinary shares in issue	1,971,717,099	1,971,716,579
Adjustment for convertible preference shares	12,356	12,876
Weighted average number of ordinary shares for diluted earnings per share	1,971,729,455	1,971,729,455
Diluted earnings per share (Rs)	6.12	11.49

22. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on February 16, 2016 by the Board of Directors of the Holding Company.

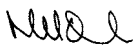
23. INTERIM DIVIDEND

The Board of Directors of the Holding Company in their meeting held on February 16, 2016 have approved interim cash dividend @ 22.5% amounting to Rs 4,436.364 million (December 2014: @ 45% amounting to Rs 8,872.727 million) on paid-up value of ordinary share capital and @ 22.5% amounting to Rs 0.028 million (December 2014: @ 30% amounting to Rs 0.037 million) on the paid-up value of convertible preference share capital.

24. GENERAL

24.1. Corresponding figures have been reclassified for the purpose of better presentation and comparison, wherever necessary.

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



Director



Chief Executive



Pakistan Petroleum Limited



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