



Pakistan Petroleum Limited

P.I.D.C. House, Dr. Ziauddin Ahmed Road,
P. O. Box 3942, Karachi-75530, Pakistan
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UAN: 92-21-111-568-568
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Website: www.ppl.com.pk

Our reference: SAA/CS/PPL/PSX-0243

Your reference:

Date: 27th October 2020

The Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Attention: Ms. Asmaa Saleem Malik
Deputy General Manager
Listing Department

Dear Sirs,

Re: Quarterly Report for the First Quarter Ended 30th September 2020

Pursuant to Rule 5.6.9 (c) of your Rules, we attach the quarterly report for the first quarter ended 30th September 2020 which may be disseminated by you to your members.

Yours truly,

Shahana Ahmed Ali
Company Secretary

Enclosed as above.

(saa/cs/ppl/psx/27102020)

Quarterly Report September 2020



STANDING TALL



COMPANY INFORMATION

Board of Directors

Mr. Shamsul Islam
Chairman

Mr. Moin Raza Khan
Chief Executive Officer /
Managing Director

Mr. Abdul Jabbar Memon

Mr. Abid Sattar

Mr. Mian Imtiazuddin

Mr. Mir Balakh Sher Marri

Mr. Sajid Mehmood Qazi

Mr. Sheryar Taj

Ms. Tahira Raza

Dr. Tanveer Ahmad Qureshi

Company Secretary

Ms. Shahana Ahmed Ali

Registered Office

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

Contact Details

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

Registration Number

CUIN: 0000378

Auditors

A.F. Ferguson & Co.
Chartered Accountants

Bankers

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

Shares Registrar

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

Legal Advisors

Messrs. Surridge & Beecheno

DIRECTORS' INTERIM REVIEW

Your directors are pleased to present the unaudited condensed interim financial statements for the quarter ended September 30, 2020 and a brief review of the Company's operations.

OPERATIONAL AND FINANCIAL HIGHLIGHTS

Operational Highlights

The key operational highlights for the quarter ended September 30, 2020 are as follows:

Discovery

One discovery has been made during the period under review in partner operated block i.e. Mamikhel South-1 (Tal block).

Drilling Activities

In PPL operated blocks, one development well was spud-in during the current period, as compared to four wells (two exploratory and two development) in the corresponding period.

Financial Highlights

The key financial results of the Company for the quarter ended September 30, 2020 are as follows:

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
	Rs Million	
Sales revenue (net)	39,226	41,759
Profit before taxation	19,220	19,187
Taxation	(4,869)	(4,950)
Profit after taxation	14,351	14,237
Basic and Diluted Earnings Per Share (Rs)	5.27	(Restated) 5.23

Sales revenue

Sales revenue decreased by Rs 2,533 million during the current period as compared to the corresponding period. The decline is due to negative variance on account of price (including exchange rate) amounting to Rs 3,014 million, partially offset by positive volume variance of Rs 481 million.

Negative price variance is due to decrease in average international crude oil prices from US\$ 62.26 / bbl in the corresponding period to US\$ 43.36 / bbl during the current period, partially offset by devaluation of Pak rupee against US dollar (average exchange rate for the current period was PKR 167.16 as compared to PKR 158.20 during the corresponding period). In addition, positive volume variance is mainly attributable to Sui, Gambat South, Adhi, Tal and Kirthar fields, partially offset by decline in production from Kandhkot and Nashpa fields.

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

	Unit	Quarter ended September 30, 2020	Quarter ended September 30, 2019
Natural Gas	MMscf	63,871	64,942
Crude Oil / Natural Gas Liquids / Condensate	BBL	1,338,264	1,314,267
Liquefied Petroleum Gas (LPG)	Tonnes	26,835	28,316
Barytes	Tonnes	5,954	19,116

Profitability

Overall profitability for the period remained in line with the corresponding period, where the impact of decline in sales revenue was mitigated by reduced exploration expenses and other charges.

Decline in exploration expenses is mainly driven by lower cost of dry wells charged to profit or loss during the current period.

Variation in other charges is as a result of impairment loss on investment in PPL Asia E&P B.V. in the corresponding period, coupled with decline in exchange loss owing to lesser volatility in the USD/PKR parity during the current quarter.

LIQUIDITY MANAGEMENT AND CASH FLOW POSITION

Overall collections during the period from customers improved as compared to last quarter but remained below the additional billings during the period, thus resulting in further 5% increase in the total receivable which stood at Rs 326 billion (June 30, 2020: Rs 312 billion). Accordingly, Circular Debt is still considered as the most critical risk in the achievement of Company's strategic objectives. The Company remained actively engaged with all stakeholders including relevant Ministries for both temporary relief for meeting short term cash flow requirements as well as long term permanent solution of Circular Debt.

FOCUS AREAS

Exploration

At present, the Company's portfolio, together with its subsidiaries, consists of forty-eight exploratory blocks, out of which twenty-eight are PPL operated (including Block-8 in Iraq being operated by PPL Asia) and remaining twenty, including three offshore blocks in Pakistan and one onshore block in Yemen, are partner operated. Update of major activities is as follows:

Exploration South Assets

Preparations are underway to initiate civil works for exploration well Qasar X-1 in Gambat South block.

Exploration Frontier Assets

In Margand block, to appraise the Morgandh gas discovery, location of 1st appraisal well Morgandh-2 has been staked on ground.

Exploration North Assets

To appraise the Dhok Sultan discovery, drilling of appraisal well Dhok Sultan-02 is in progress.

Partner-Operated Exploration Blocks

In Ghauri block, exploratory well Miraj-1 was plugged & abandoned and has been charged to profit or loss as dry well.

Producing Fields

Sui

Maintenance and enhancement of plant reliability activities were undertaken at Purification Plant and Sui Field Gas Compression Station, including major overhaul of compressor, gas turbine, boiler and purification bank.

Kandhkot

Maintenance and upgrade / enhancement of plant reliability activities were undertaken at Kandhkot gas field, including maintenance of Plant Information Management System (PIMS).

Gas sales during the current quarter averaged around 142 MMscfd as against field potential of ~220 MMscfd, due to significantly lower offtakes by the customer i.e. GENCO-II.

Adhi

Development well Adhi South-2 was successfully completed and commissioned, adding around 800 bbl/day of oil and 0.7 MMscfd of gas.

Gambat South

Rig movement for drilling of development well Sharf-3 has been completed and currently, rig-up activities are in progress.

Commissioning activities of Gas Processing Facility (GPF) - IV Phase-II are in progress and expected to be completed by 2nd quarter of the current year.

Feeder line for well Hadaf X-1 has been completed upto 25 km and the construction work on remaining 15 km pipeline is in progress.

With respect to Zafir-GPF (Rehabilitation of GPF-III), purchase orders for all long lead items have been placed and their manufacturing is at the advanced stage. Tendering for construction and commissioning contracts is in progress.

Further, Development & Production Leases for Kabir and Hadaf fields have been approved by the regulator.

Partner-Operated Assets

Development well Qadirpur-62 was spud-in during September 2020 and currently drilling is in progress.

Corporate Social Responsibility

PPL continued to work for promotion of education at its producing and exploratory areas across the country and installed solar system at government primary and middle schools in district Kashmore, whereas construction of various schools remained under progress during the period.

One water supply scheme at district Kalat was completed, whereas construction of various water supply schemes in Sindh and Balochistan provinces are in progress.

Similarly, PPL continued to provide health care services to the population of Sui through Public Welfare Hospital, Sui. PPL also provided one ambulance to Basic Health Unit Dhamach, district Jamshoro. In addition, construction of four dispensary buildings at district Naushahro Firoz are in final stage.

Quality, Health, Safety and Environment (QHSE)

Unprecedented challenge has been faced by the Company in the wake of COVID-19 pandemic. In response to the pandemic, management's focus and efforts continued during the quarter for coping up with changing scenario at national and global levels. Regular Crisis Management Team meetings were conducted, and advisories circulated to steer the organisation smoothly in challenging times.

Gradual resumption of physical attendance in offices and pre-COVID days-off cycle at fields were undertaken with due diligence. Back-to-Office guidelines and revised field staff changeover protocol were promulgated respectively.

Human Resources and Industrial Relations

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

ACKNOWLEDGEMENT

In these extraordinary times, the Company has done well and is geared to tackle the evolving challenges as they come. This was made possible with the continuous commitment, efforts and remarkable resilience shown by our employees, who deserve full credit. We are also thankful to the continued support of the GoP and shareholders, whose unwavering trust and confidence has enabled us to remain on track in the achievement of our strategic objectives.



DIRECTOR

Karachi: October 23, 2020



**MANAGING DIRECTOR /
CHIEF EXECUTIVE OFFICER**

اعتراف۔

ان غیر معمولی حالات میں، کمپنی نے بہتر کارکردگی کا مظاہرہ کیا ہے اور سر اٹھاتی مشکلات کا سامنا کرنے کے لئے تیار ہے۔ یہ ہمارے عملے کی جانب سے دکھائے جانے والے مستقل عزم، کوششوں اور جانفشانی کے بغیر ممکن نہیں تھا، جو بھرپور ستائش کے حقدار ہیں۔ ہم حکومت پاکستان اور حصص داروں کے مسلسل تعاون پر بھی شکر گزار ہیں جو ہم پر غیر متوازن بھروسہ کرتے ہیں اور ہمیں اس قابل بناتے ہیں کہ ہم اپنے اہداف کو بہترین طریقے سے حاصل کر سکیں۔

Moin Raj Khan
مینجنگ ڈائریکٹر/چیف ایگزیکٹو

Shamul Islam
ڈائریکٹر

کراچی

23 اکتوبر 2020

ہدف 1-X کی فیڈر پائپ لائن 25 کلومیٹر تک مکمل ہو چکی ہے اور بقایا 15 کلومیٹر تک تعمیر جاری ہے۔

خافہ-جی پی ایف (جی پی ایف III کی بحالی) کے حوالے سے، طویل مدت تک استعمال ہونے والی اشیاء کی خریداری کے آرڈر جاری ہو چکے ہیں اور ان کی تیاری تکمیل مراحل میں ہے۔ تعمیراتی کام اور پلانٹ سے منسلک کر کے پیداوار کے حصول کے کام کے لئے بولیاں منگوانے کا عمل جاری ہے۔

مزید، ریگولیشنز کی جانب سے کبیر اور ہدف فیلڈ کے لئے ڈیولپمنٹ اور پیداواری لیز کی منظوری دے دی گئی ہے۔

پارٹنر۔ آپریٹڈ اثاثے

پیداواری کنومیں قادر پور۔ 62 کی کھدائی کا آغاز ستمبر 2020 میں ہوا اور اس کی کھدائی ابھی جاری ہے۔

کاروباری سماجی ذمہ داری (سی ایس آر)

پی پی ایل نے پورے ملک میں اپنے پیداواری اور دریافتی علاقوں میں تعلیم کے فروغ کا کام جاری رکھا ہے۔ ضلع کشمور کے گورنمنٹ پرائمری اور مڈل اسکولوں میں سٹسی توانائی سسٹم نصب کئے جبکہ اس مدت میں مختلف اسکولوں کی تعمیر جاری ہے۔

قلات میں پانی کی فراہمی کا ایک منصوبہ مکمل ہوا جبکہ سندھ اور بلوچستان میں پانی کی فراہمی کے بہت سے منصوبے جاری ہیں۔

اسی طرح، پبلک ویلفیئر ہسپتال، سوئی کے ذریعے پی پی ایل نے آبادیوں کو صحت کی حفاظت کی سہولیات کی فراہمی جاری رکھی ہے۔ پی پی ایل نے بنیادی صحت کے مرکز دھماچ، ضلع جاشور کے لئے ایک ایسوی لینس بھی مہیا کی۔ اس کے ساتھ ساتھ، ضلع نوشہرہ و فیروز میں ڈسپنری کی چار عمارتوں کی تعمیر آخری مراحل میں ہے۔

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

COVID-19 کی عالمی وبا کے نتیجے میں کمپنی کو ایسے چیلنجز کا سامنا کرنا پڑا جو اس سے پہلے کبھی نہیں دیکھے گئے تھے۔ وبائی مرض کے حوالے سے، قومی اور عالمی سطح پر بدلتے ہوئے منظر سے نمٹنے کے لئے سماجی کے دوران انتظامیہ کی توجہ اور کوششیں جاری رہیں۔ باقاعدگی سے کرائس منجمنٹ ٹیم کے اجلاس منعقد کئے گئے اور ان مشکل لحاظ میں ادارے کو معمول کے مطابق چلانے کے لئے مسلسل ہدایات بھیجی جاتی رہیں۔

دفاتر میں نفس نفیس حاضری کا ہدف دو بارہ آغاز کیا گیا اور فیلڈ میں COVID سے قبل ڈیز آف کے سائیکل کو دوبارہ سے بحال کیا گیا۔ دفاتر میں واپسی کی ہدایات اور فیلڈز کے عملے کی تبدیلی کے پروٹوکول کو بالترتیب نافذ کیا گیا۔

انسانی وسائل

کمپنی کی تمام فیلڈ لوکیشنز پر کام کے ماحول میں ہم آہنگی اور خوشگوار صنعتی تعلقات کے ماحول کو پروان چڑھایا گیا۔

ایکسپلوریشن کے جنوبی اثاثے
گمبٹ ساؤتھ بلاک میں دریافتی کنونٹس قصر 1-X پر تعمیراتی کام کے آغاز کی تیاریاں جاری ہیں۔

ایکسپلوریشن کے سرحدی اثاثے
مرگنڈ بلاک میں، مورگنڈ گیس دریافت کا جائزہ لینے کے لئے پہلا تجزیاتی کنونٹس مورگنڈھ-2 کی کھدائی کے مقام کی زمین پر نشاندہی کا عمل مکمل ہو چکا ہے۔

ایکسپلوریشن کے شمالی اثاثے
ڈھوک سلطان کی دریافت کا اندازہ لگانے کے لئے، تجزیاتی کنونٹس ڈھوک سلطان-2 کی کھدائی جاری ہے۔

پارٹنر آپریٹڈ دریافتی اثاثے
غوری بلاک میں دریافتی کنونٹس معراج-1 بند اور ترک کر دیا گیا اور اسے منافع و خسارے کے اکاؤنٹ میں ختم کنونٹس کے طور پر شامل کر دیا گیا ہے۔

پیداواری فیلڈز
سوئی اثاثہ
پیور بیفیکیشن پلانٹ اور سوئی فیلڈ گیس کپیریسر اسٹیشن میں پلانٹ کو درست اور قابل اعتبار رکھنے کی سرگرمیاں انجام دی گئیں جن میں کپیریسر، گیس ٹرابزن، بوائلر اور پیور بیفیکیشن
بنک کی مکمل تجدید بھی شامل تھی۔

کندھ کوٹ اثاثہ
کندھ کوٹ گیس فیلڈ میں پلانٹ کو درست اور قابل اعتبار رکھنے کی سرگرمیاں انجام دی گئیں جن میں پلانٹ انفارمیشن بیجنٹ سسٹم بھی شامل ہے۔
موجودہ سہ ماہی میں گیس کی فروخت اوسطاً یومیہ 142 ایم ایم ایس سی ایف رہی جبکہ فیلڈ کی صلاحیت یومیہ 220- ایم ایم ایس سی ایف ہے، جس کی وجہ صارف سینٹرو-11
کی جانب سے کم خرید ہے۔

آرہی اثاثہ
پیداواری کنواں آرہی ساؤتھ-2 کامیابی سے مکمل ہونے کے بعد اس سے پیداوار شروع ہوگئی، جس سے یومیہ 800 بیرل تیل اور یومیہ 10.7 ایم ایم ایس سی ایف گیس کا اضافہ
ہوا۔

گمبٹ ساؤتھ
پیداواری کنونٹس شرف-3 کی کھدائی کے لئے رگ کی منتقلی شروع ہوگئی ہے اور اس وقت رگ لگانے کی سرگرمیاں جاری ہیں۔
گیس پروسیڈنگ فیسیلٹی (جی پی ایف-17) سے پیداوار کے آغاز کے دوسرے مرحلے کی سرگرمیاں جاری ہیں اور موجودہ سال کی دوسری سہ ماہی تک مکمل ہونے کی توقع ہے۔

قیمت میں منفی تغیر کی وجہ موجودہ مدت میں تیل کی اوسط بین الاقوامی قیمتوں میں ہونے والی نمایاں کمی ہے جو تقابلے عرصے میں 62.26 امریکی ڈالر فی بیرل سے منٹا بلے میں زیر نظر عرصے کے دوران 43.36 امریکی ڈالر فی بیرل ہو گئی، جسے پاکستانی روپے کی قدر میں امریکی ڈالر کے منٹا بلے میں ہونے والی کمی (موجودہ مدت میں او۔ طاً شرح مبادلہ 167.16 روپے جبکہ تقابلی مدت میں 158.20 روپے) نے جزوی طور پر زائل کیا ہے۔ اس کے علاوہ، حجم میں مثبت تبدیلی بنیادی طور پر سوئی، گھٹ ساؤتھ، آدی، ٹیل اور کیرتھر فیلڈز سے منسوب ہے جسے کندھ کوٹ اور نیپا فیلڈز سے پیداوار میں کمی نے جزوی طور پر زائل کیا ہے۔

آپرینڈ اور پارٹنر آپرینڈ فیلڈز سے فروخت کے حجم میں کمی کے حصے کا تقابلی جائزہ حسب ذیل ہے:

سہ ماہی کا اختتام	سہ ماہی کا اختتام	یونٹ	
30 ستمبر 2019	30 ستمبر 2020		
64,942	63,871	ایم ایم سی ایف	قدرتی گیس
1,314,267	1,338,264	بی بی ایل	خام تیل / قدرتی گیس مائع (این جی ایل) / کنڈنسٹ
28,316	26,835	ٹن	مائع پٹرولیم گیس (ایل پی جی)
19,116	5,954	ٹن	بیرائٹس

منفعت

موجودہ مدت میں مجموعی منفعت تقابلی عرصے کے برابر رہی جس میں فروخت آمدن میں ہونے والی کمی کو دریافتی سرگرمیوں کے دیگر اخراجات میں تخفیف نے زائل کیا ہے۔ دریافتی سرگرمیوں میں ہونے والے اخراجات میں کمی کی بنیادی وجہ خشک کنوں کی مد میں لگنے والے کم اخراجات ہیں جن کو موجودہ مدت میں نفع و نقصان کے کھاتے میں شامل کر دیا ہے۔

دیگر اخراجات میں تغیر تقابلی مدت میں پی پی ایل ایشیا ای اینڈ پی۔ بی وی میں سرمایہ کاری سے ہونے والے خسارے کی وجہ سے ہے، ساتھ ہی موجودہ سہ ماہی کے دوران امریکی ڈالر / پاکستانی روپے میں کم اتار چڑھاؤ کی وجہ سے بھی زرمبادلہ کی مد میں ہونے والے آمدنی میں کمی کی واقع ہوئی۔

نقد میں تبدیل کئے جانے والے اثاثوں (لکوئیڈیٹی) کا انتظام اور نقد کے بہاؤ کی صورت حال

موجودہ مدت کے دوران صارفین سے وصولی گذشتہ سہ ماہی کے مقابلے میں بہتر رہی لیکن اس مدت کے دوران اضافی بلوں کی بناء پر وصولی کم رہی، اس طرح مجموعی وصولی میں مزید 5% کا اضافہ ہوا جو 326 ارب روپے (30 جون 2020 312 ارب روپے) رہا۔ اس کے مطابق، گردش قرضے کو اب بھی کمپنی کی حکمت عملی کے مقاصد کے حصول میں سب سے زیادہ خطرہ سمجھا جاتا ہے۔ کمپنی تمام شراکت داروں سمیت متعلقہ وزارتوں کے ساتھ قلیل مدتی نقد کو پورا کرنے کے ساتھ ساتھ گردش قرضوں کے طویل مدتی مستقل حل کے لئے سرگرم عمل ہے۔

مرکز نوجہ

دریافتی سرگرمیاں

اس وقت، کمپنی کا پورٹ فولیو اپنی ذیلی کمپنیوں کے ساتھ 48 دریافتی بلاکس پر مشتمل ہے جس میں سے 28 پی پی ایل آپرینڈ (بشمول عراق میں بلاک 8 جسے پی پی ایل ایشیا آپرینڈ کر رہی ہے) اور بقیہ 20 جس میں پاکستان میں تین آف۔ شور بلاکس اور یمن میں آن۔ شور بلاک جو پارٹنر آپرینڈ ہیں، شامل ہیں۔ اہم سرگرمیوں کی حالیہ تفصیل درج ذیل ہے:

ڈائریکٹران کا عبوری جائزہ

آپ کے ڈائریکٹران 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ مجتمع عبوری مالیاتی گوشواروں کے خلاصے اور کمپنی کے امور کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

آپریٹنل و مالیاتی جھلکیاں / اہم نکات

آپریٹنل جھلکیاں

30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کی آپریٹنل جھلکیاں حسب ذیل ہیں:

دریافتیں

زیر جائزہ مدت میں پارٹنر آپریٹنل بلاک میں ایک دریافت مائیٹیل ساؤتھ-1 (ٹل بلاک) ہوئی۔

کھدائی کی سرگرمیاں

تقابلی مدت میں چار (دو دریافتی اور دو پیداواری) کنوؤں کے مقابلے میں، موجودہ مدت میں پی پی ایل کے آپریٹنل بلاکس میں ایک پیداواری کنوئیں کی کھدائی کا آغاز ہوا۔

مالیاتی جھلکیاں / مالیاتی سرگرمیوں کے اہم نکات

30 ستمبر 2020 کو ختم ہونے والی سہ ماہی پر کمپنی کے اہم مالیاتی نتائج حسب ذیل ہیں:

سہ ماہی کا اختتام 30 ستمبر 2019	سہ ماہی کا اختتام 30 ستمبر 2020	
ملین روپے		
41,759	39,226	فروخت آمدن (خالص)
19,187	19,220	قبل از ٹیکس منافع
(4,950)	(4,869)	ٹیکس
14,237	14,351	بعد از ٹیکس منافع
5.23 (اعادہ شدہ)	5.27	بنیادی اور تحلیل شدہ آمدن فی شیئر (روپے)

فروخت آمدن

موجودہ مدت میں تقابلی عرصے کے مقابلے میں فروخت آمدن میں 2,533 ملین روپے کی کمی ہوئی ہے۔ یہ کمی قیمت (بشمول شرح مبادلہ) میں 3,014 ملین روپے کے منفی تغیر کی وجہ سے ہے جسے 481 ملین روپے کے مثبت حجم کے تغیر نے جزوی طور پر زائل کیا ہے۔

PAKISTAN PETROLEUM LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020 (Unaudited) (Rupees in thousand)	June 30, 2020 (Audited)
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	154,471,042	158,658,675
Intangible assets		295,923	338,417
		<u>154,766,965</u>	<u>158,997,092</u>
Long-term investments	6	36,606,210	37,285,870
Long-term loans		40,261	41,720
Long-term deposits		7,676	7,676
Long-term receivables		41,905	41,905
		<u>191,463,017</u>	<u>196,374,263</u>
CURRENT ASSETS			
Stores and spares		4,472,330	4,060,735
Trade debts	7	326,315,464	312,151,494
Loans and advances		755,691	669,269
Trade deposits and short-term prepayments		394,547	537,275
Interest accrued		581,162	454,596
Current maturity of long-term investments	6	3,248,865	3,866,184
Current maturity of long-term loans		19,920	19,920
Current maturity of long-term deposits		1,248,000	1,175,250
Current maturity of long-term receivables		152,841	152,841
Other receivables		2,864,124	3,223,266
Short-term investments	8	24,746,643	14,056,974
Cash and bank balances		3,734,996	5,159,749
		<u>368,534,583</u>	<u>345,527,553</u>
TOTAL ASSETS		<u>559,997,600</u>	<u>541,901,816</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		27,209,836	27,209,836
Reserves		331,739,522	317,388,083
		<u>358,949,358</u>	<u>344,597,919</u>
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		27,877,803	27,645,286
Lease liabilities against right-of-use assets		-	414
Deferred liabilities		2,880,663	2,840,852
Deferred taxation		34,185,774	36,524,772
		<u>64,944,240</u>	<u>67,011,324</u>
CURRENT LIABILITIES			
Trade and other payables	9	116,100,681	115,328,566
Unclaimed dividends		299,912	299,912
Current maturity of lease liabilities against right-of-use assets		15,643	19,361
Taxation - net		19,687,766	14,644,734
		<u>136,104,002</u>	<u>130,292,573</u>
TOTAL LIABILITIES		<u>201,048,242</u>	<u>197,303,897</u>
TOTAL EQUITY AND LIABILITIES		<u>559,997,600</u>	<u>541,901,816</u>
CONTINGENCIES AND COMMITMENTS			
	10		

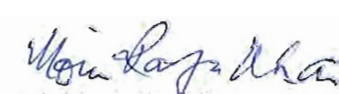
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED


UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	Quarter ended September 30, 2020	Quarter ended September 30, 2019
----- (Rupees in thousand) -----			
Revenue from contracts with customers	11	39,226,181	41,759,192
Operating expenses	12	(9,336,700)	(9,210,883)
Royalties and other levies		(5,944,661)	(6,139,751)
		<u>(15,281,361)</u>	<u>(15,350,634)</u>
Gross profit		23,944,820	26,408,558
Exploration expenses	13	(2,273,076)	(2,864,073)
Administrative expenses		(775,536)	(611,752)
Finance costs		(292,173)	(271,118)
Other charges	14	(2,131,565)	(4,356,580)
		<u>18,472,470</u>	<u>18,305,035</u>
Other income	15	<u>747,568</u>	881,694
Profit before taxation		19,220,038	19,186,729
Taxation	16	(4,868,599)	(4,949,417)
Profit after taxation		14,351,439	14,237,312
			Restated
Basic and diluted earnings per share (Rs)	19	5.27	5.23

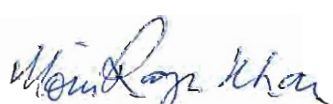
The annexed notes 1 to 21 form an integral part of these unconsolidated condensed interim financial statements.


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED


**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
	----- (Rupees in thousand) -----	
Profit after taxation	14,351,439	14,237,312
Other comprehensive income / (loss)		
Items that will not be subsequently reclassified in profit or loss		
Remeasurement gains / (losses) on defined benefit plans - net	-	-
Deferred taxation	-	-
Total comprehensive income for the period	<u>14,351,439</u>	<u>14,237,312</u>

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


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
Note		
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	37,007,176	23,529,457
Receipts of other income	850,936	1,922,809
Payment to suppliers / service providers and employees - net	(10,300,515)	(10,905,764)
Payment of indirect taxes and Government levies including royalties	(15,395,963)	(14,689,629)
Income tax paid	(2,164,565)	(2,720,952)
Finance costs paid	(461)	(1,786)
Long-term loans to employees - net	1,459	1,936
Net cash generated from / (used in) operating activities	<u>9,998,067</u>	<u>(2,863,929)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(2,414,866)	(5,841,212)
Proceeds from sale of property, plant and equipment	8,353	3,620
Redemption / (purchase) of long-term investments	1,296,979	(229,386)
(Purchase) / disposal of mutual funds – net	(137,732)	4,049,860
Long-term deposits	(72,750)	-
Finance income received	453,265	855,982
Net cash used in investing activities	<u>(866,751)</u>	<u>(1,161,136)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of liabilities against right-of-use assets	(4,132)	(18,695)
Dividends paid	-	(2,539)
Net cash used in financing activities	<u>(4,132)</u>	<u>(21,234)</u>
Net increase / (decrease) in cash and cash equivalents	9,127,184	(4,046,299)
Cash and cash equivalents at the beginning of the period	8,852,005	12,248,260
Cash and cash equivalents at the end of the period	<u>17,979,189</u>	<u>8,201,961</u>

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


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer

PAKISTAN PETROLEUM LIMITED

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves	Total
	Ordinary	Convertible preference			
(Rupees in thousand)					
Balance as at June 30, 2019 (Audited)	22,674,764	108	1,428	275,932,688	298,608,988
Comprehensive income for the period					
Profit after taxation	-	-	-	14,237,312	14,237,312
Other comprehensive income for the quarter ended September 30, 2019, net of tax	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2019	-	-	-	14,237,312	14,237,312
Conversion of preference shares into ordinary shares	1	(1)	-	-	-
Balance as at September 30, 2019	22,674,765	107	1,428	290,170,000	312,846,300
Balance as at June 30, 2020 (Audited)	27,209,718	118	1,428	317,386,655	344,597,919
Comprehensive income for the period					
Profit after taxation	-	-	-	14,351,439	14,351,439
Other comprehensive income for the quarter ended September 30, 2020, net of tax	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2020	-	-	-	14,351,439	14,351,439
Conversion of preference shares into ordinary shares	5	(5)	-	-	-
Balance as at September 30, 2020	27,209,723	113	1,428	331,738,094	358,949,358

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


Chief Financial Officer


Chief Financial Officer


Director


Chief Executive Officer


Chief Executive Officer

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

For the quarter ended September 30, 2020

1. LEGAL STATUS AND OPERATIONS

- 1.1 Pakistan Petroleum Limited (the Company) was incorporated in Pakistan in 1950 with the main objectives of conducting exploration, prospecting, development and production of oil and natural gas resources. The shares of the Company are listed on the Pakistan Stock Exchange Limited and the registered office 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 the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any.

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

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

2. BASIS OF PREPARATION

- 2.1 These unconsolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These unconsolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in the audited 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, 2020.

3. CHANGE IN SIGNIFICANT ACCOUNTING POLICIES

- 3.1 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, 2020.
- 3.2 The Company follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in these unconsolidated condensed interim financial statements, being immaterial.

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

For the quarter ended September 30, 2020

4. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS, 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 apply judgments that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

Estimates, assumptions and judgments made by the management in the preparation of these 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, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements for the year ended June 30, 2020.

5. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2020 Unaudited	June 30, 2020 Audited
	(Rupees in thousand)	
Opening Net Book Value (NBV)	102,481,315	99,328,260
Additions to owned assets	3,114,282	24,313,341
	<u>105,595,597</u>	<u>123,641,601</u>
Disposals during the period / year (NBV)	(368)	(3,700)
Adjustments during the period / year (NBV)	-	(128,091)
Depreciation / amortisation charged during the period / year	(4,874,587)	(21,028,495)
	<u>100,720,642</u>	<u>102,481,315</u>
Capital work-in-progress - note 5.1	53,750,400	56,177,360
	<u>154,471,042</u>	<u>158,658,675</u>

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

For the quarter ended September 30, 2020

	September 30, 2020 Unaudited	June 30, 2020 Audited
	(Rupees in thousand)	
5.1 Capital work-in-progress		
Plant, machinery, fittings and pipelines	10,825,090	10,993,478
Exploration and evaluation (E&E) assets - note 5.1.1	19,261,610	20,732,521
Development and production (D&P) assets	7,351,139	8,066,401
Lands, buildings and civil constructions	141,502	157,847
Capital stores for drilling and development	16,171,059	16,227,113
	<u>53,750,400</u>	<u>56,177,360</u>

5.1.1 Amounts under E&E assets are net of cost of dry wells charged to profit or loss during the period / year, amounting to Rs 1,677 million (June 30, 2020: Rs 11,480 million).

	September 30, 2020 Unaudited	June 30, 2020 Audited
	(Rupees in thousand)	
6. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiaries		
- PPPFTC	1	1
- PPLE (net of impairment)	3,798,094	3,798,094
	<u>3,798,095</u>	<u>3,798,095</u>
Other investments		
- At amortised cost		
- Foreign currency term deposits with banks - note 6.1	36,056,980	37,353,959
Less: Current maturity of foreign currency term deposits with banks	(3,248,865)	(3,866,184)
	<u>32,808,115</u>	<u>33,487,775</u>
	<u>36,606,210</u>	<u>37,285,870</u>

6.1 This represents foreign currency term deposits with banks amounting to US\$ 219.525 million (June 30, 2020: US\$ 222.345 million).

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

For the quarter ended September 30, 2020

	September 30, 2020 Unaudited	June 30, 2020 Audited
	(Rupees in thousand)	
7. TRADE DEBTS		
Unsecured and considered good		
Related parties		
Central Power Generation Company Limited (GENCO-II)	54,337,072	52,360,688
Sui Northern Gas Pipelines Limited (SNGPL)	157,709,396	152,604,464
Sui Southern Gas Company Limited (SSGCL)	102,175,730	96,831,357
Pak-Arab Refinery Limited (PARCO)	823,369	698,988
Pakistan Refinery Limited (PRL)	1,118,491	1,091,468
Oil & Gas Development Company Limited (OGDCL)	257,099	803,313
	316,421,157	304,390,278
Non-related parties		
Attock Refinery Limited (ARL)	8,440,308	6,884,102
National Refinery Limited (NRL)	955,550	676,249
Others	498,449	200,865
	9,894,307	7,761,216
	326,315,464	312,151,494
Unsecured and considered doubtful		
Non-related party		
Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,156,220
Less: Provision for doubtful debts - note 7.3	(1,156,220)	(1,156,220)
	-	-
	326,315,464	312,151,494
7.1 The ageing of trade debts is as follows:		
Neither past due nor impaired	30,581,785	28,776,967
Past due but not impaired:		
Related parties		
- within 90 days	31,288,506	28,115,980
- 91 to 180 days	29,063,546	27,341,952
- over 180 days	230,303,123	222,746,200
	290,655,175	278,204,132
Non-related parties		
- within 90 days	3,070,769	2,711,071
- 91 to 180 days	316,902	985,550
- over 180 days	1,690,833	1,473,774
	5,078,504	5,170,395
	326,315,464	312,151,494

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

For the quarter ended September 30, 2020

- 7.2** Trade debts include overdue amount of Rs 289,679 million (June 30, 2020: Rs 277,273 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 7,211 million (June 30, 2020: Rs 7,257 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and PRL) 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 overdue amount. The said suit is pending adjudication before the SHC.

	September 30, 2020 Unaudited	June 30, 2020 Audited
	(Rupees in thousand)	
8. SHORT-TERM INVESTMENTS		
At amortised cost		
- Local currency term deposits with banks	10,092,255	3,692,256
- Treasury bills	4,151,938	-
	<u>14,244,193</u>	<u>3,692,256</u>
At fair value through profit or loss		
- Mutual Funds	10,502,450	10,364,718
	<u>24,746,643</u>	<u>14,056,974</u>
9. TRADE AND OTHER PAYABLES		
Creditors	486,271	1,026,673
Accrued liabilities	9,179,610	8,516,636
Security deposits / advances from LPG distributors	640,668	148,855
Retention money	68,821	117,964
Gas Development Surcharge (GDS)	40,868,615	38,278,399
Gas Infrastructure Development Cess (GIDC)	9,410,678	10,248,820
Sales tax - net	1,290,847	1,598,008
Royalties	9,352,855	9,382,316
Lease extension bonus	21,830,781	20,585,132
Current accounts with joint operations	12,999,131	16,234,248
Staff retirement benefit funds	418,431	1,033,050
Provision for windfall levy on oil / condensate	8,272,937	7,896,937
Federal excise duty	132,895	101,064
Workers' Profits Participation Fund (WPPF)	985,488	-
Others	162,653	160,464
	<u>116,100,681</u>	<u>115,328,566</u>
10. CONTINGENCIES AND COMMITMENTS		

There are no major changes in the status of contingencies and in total commitments as disclosed in the audited unconsolidated financial statements for the year ended June 30, 2020.

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

For the quarter ended September 30, 2020

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
	(Rupees in thousand)	
11. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross revenue		
Natural gas	39,866,116	40,897,088
Gas supplied to Sui villages	203,960	155,220
Internal consumption of gas	114,847	116,766
Crude oil / Condensate / Natural Gas Liquids	9,155,872	11,883,429
LPG	2,000,139	2,012,375
Barytes	63,406	346,405
	51,404,340	55,411,283
Government levies / discounts		
Federal excise duty	(457,482)	(491,376)
Sales tax	(6,155,427)	(6,315,379)
GDS	(5,122,974)	(5,693,267)
GIDC	(314,059)	(1,035,139)
Petroleum Levy	(125,292)	(96,931)
Discounts (Barytes)	(2,925)	(19,999)
	(12,178,159)	(13,652,091)
	39,226,181	41,759,192
12. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits	1,782,156	1,592,633
Operators' personnel	569,587	487,765
Depreciation	1,854,831	2,137,810
Amortisation of decommissioning assets	390,601	243,791
Amortisation of D&P assets	2,584,300	2,336,218
Plant operations	687,248	758,314
Well interventions	162,618	296,427
Field services	601,797	522,699
Crude oil transportation	215,478	349,355
Travelling and conveyance	61,960	101,562
Training & development	7,543	5,485
PCA overheads	48,420	22,251
Insurance expenses	142,029	147,191
Free supply of gas to Sui villages	203,960	155,220
Social welfare / community development	24,172	53,871
Other expenses	-	291
	9,336,700	9,210,883

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

For the quarter ended September 30, 2020

13. EXPLORATION EXPENSES

- 13.1 Exploration expenses for the period also include cost of dry wells amounting to Rs 1,677 million (September 2019: Rs 2,659 million).

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
	(Rupees in thousand)	
14. OTHER CHARGES		
WPPF charge	1,021,256	1,105,407
Exchange loss on foreign currency (net)	866,438	1,787,306
Impairment loss on investment in PPLA	-	768,867
Provision for obsolete / slow moving stores & spares and windfall levy on oil / condensate	243,871	695,000
	<u>2,131,565</u>	<u>4,356,580</u>
15. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	97,770	221,052
Income on term deposits	54,879	106,101
Income on long-term investments at amortised cost	333,110	497,642
Income from investment in treasury bills	94,072	-
Dividend income / gain on re-measurement of investments designated at fair value through profit or loss (net)	155,729	37,347
	<u>735,560</u>	<u>862,142</u>
Income from assets other than financial assets		
Rental income on assets	1,534	1,399
Profit on sale of property, plant and equipment (net)	7,985	2,528
Share of profit on sale of LPG	-	4,338
Others	2,489	11,287
	<u>12,008</u>	<u>19,552</u>
	<u>747,568</u>	<u>881,694</u>
16. TAXATION		
Current	7,207,597	6,563,735
Deferred	(2,338,998)	(1,614,318)
	<u>4,868,599</u>	<u>4,949,417</u>
17. CASH AND CASH EQUIVALENTS		
Cash and bank balances	3,734,996	3,245,011
Short-term highly liquid investments	14,244,193	4,956,950
	<u>17,979,189</u>	<u>8,201,961</u>

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

For the quarter ended September 30, 2020

18. TRANSACTIONS WITH RELATED PARTIES

The related parties are comprised of state controlled entities, subsidiary companies, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. 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:

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
	(Rupees in thousand)	
Sales of gas / barytes to state controlled entities (including Government Levles)		
GENCO-II	9,210,385	11,233,527
SSGCL	12,198,626	11,094,626
SNGPL	18,457,105	18,489,116
OGDCL	408,015	27,927
	<u>40,274,131</u>	<u>40,845,196</u>
Long-term receivables, trade debts and other receivables from State controlled entities as at September 30		
	<u>314,704,922</u>	<u>244,532,241</u>
Transactions with subsidiaries		
Receivable from PPLA as at September 30	<u>89,728</u>	<u>19,842</u>
Receivable from PPLE as at September 30	<u>-</u>	<u>7,513</u>
Payment of employees cost on secondment	<u>13,576</u>	<u>24,340</u>
Deposit for bank guarantee on behalf of PPLE - Block 29, Yemen	<u>1,248,000</u>	<u>911,850</u>
Transactions with Associated Companies		
Sales of crude oil / condensate to PARCO	<u>1,132,677</u>	<u>2,395,910</u>
Sales of crude oil / condensate to PRL	<u>420,131</u>	<u>810,170</u>
Payment to Total PARCO Pakistan Limited	<u>2,559</u>	<u>165,209</u>
Payment to Petroleum Institute of Pakistan	<u>975</u>	<u>4,092</u>
Deposits with Habib Metropolitan Bank Limited as at September 30	<u>14,260,926</u>	<u>-</u>
Deposits with Askari Bank Limited (AKBL) as at September 30	<u>22,642</u>	<u>14,324</u>
Letters of credit placed with AKBL as at September 30	<u>142,445</u>	<u>68,023</u>

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

For the quarter ended September 30, 2020

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
	(Rupees in thousand)	
Transactions with Joint Operations		
Payments of cash calls to joint operations	7,641,640	11,569,229
Expenditures incurred by the joint operations	4,229,546	7,136,291
Under advance balances relating to joint operations as at September 30	12,271,430	10,772,589
Current account receivables relating to joint operations as at September 30	2,217,940	1,074,053
Current account payables relating to joint operations as at September 30	266,244	602,231
Income from rental of assets to joint operations	1,534	1,399
Purchase of goods from BME (net)	-	173,305
Reimbursement of employee cost on secondment to BME	5,203	4,503
Other related parties		
Transactions with retirement benefit funds	258,987	274,535
Remuneration to key management personnel	622,275	517,874
Payment of rental to Pakistan Industrial Development Corporation	35,883	32,227
Payment of rental to Karachi Port Trust	2,347	3,200
Payment to National Insurance Company Limited (NICL)	52,689	115,041
Payment to Pakistan State Oil Company Limited	14,710	118,958
18.1	Aggregate amount charged in these unconsolidated condensed interim financial statements in respect of fees paid to seven non-executive directors was Rs 5.125 million (September 2019: Rs 2.950 million to nine non-executive directors).	
18.2	The Company has guaranteed to Midland Oil Company, Iraq (MdOC) for the performance and fulfilment of obligations by PPLA under the Exploration, Development and Production Service Contract (EDPSC). Total financial commitment of PPLA is US\$ 100 million (Rs 16,475 million), out of which US\$ 32.558 million (Rs 5,364 million) is outstanding.	
18.3	The Company has provided parent company guarantee amounting to US\$ 5.3 million (Rs 873 million) to GoP in respect of PPLA's exploration licenses in Pakistan i.e. Barkhan, Harnai and Ziarat.	

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

For the quarter ended September 30, 2020

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
19. EARNINGS PER SHARE		
19.1 Basic earnings per share		
Profit after taxation (Rs '000)	14,351,439	14,237,312
Dividend on convertible preference shares (Rs '000)	(35)	(32)
Profit attributable to ordinary shareholders (Rs '000)	<u>14,351,404</u>	<u>14,237,280</u>
		(Restated)
Weighted average number of ordinary shares in issue	<u>2,720,971,973</u>	<u>2,720,971,666</u>
		(Restated)
Basic earnings per share (Rs)	<u>5.27</u>	<u>5.23</u>
19.1.1 Profit after taxation has been adjusted for dividend to a maximum rate of thirty percent per annum of the value of total number of convertible preference shares held.		
	Quarter ended September 30, 2020	Quarter ended September 30, 2019
19.2 Diluted earnings per share		
Profit after taxation (Rs '000)	14,351,439	14,237,312
		(Restated)
Weighted average number of ordinary shares in issue	2,720,971,973	2,720,971,666
Adjustment for convertible preference shares	<u>11,555</u>	<u>11,862</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>2,720,983,528</u>	<u>2,720,983,528</u>
		(Restated)
Diluted earnings per share (Rs)	<u>5.27</u>	<u>5.23</u>

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

For the quarter ended September 30, 2020

20. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorised for issue on October 23, 2020 by the Board of Directors of the Company.

21. GENERAL

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



CHIEF FINANCIAL OFFICER



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER



CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

	Note	September 30 2020 Unaudited (Rupees in thousand)	June 30 2020 Audited
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	155,677,696	159,915,084
Intangible assets		295,923	338,417
		<u>155,973,619</u>	<u>160,253,501</u>
Long-term investments	6	32,808,116	33,487,776
Long-term loans		40,261	41,720
Long-term deposits		7,676	7,676
Long-term receivables		41,905	41,905
		<u>188,871,577</u>	<u>193,832,578</u>
CURRENT ASSETS			
Stores and spares		4,472,330	4,060,735
Trade debts	7	326,483,837	312,444,486
Loans and advances		760,069	669,269
Trade deposits and short-term prepayments		397,525	540,417
Interest accrued		589,722	474,195
Current maturity of long-term investments	6	3,248,865	3,866,184
Current maturity of long-term loans		19,920	19,920
Current maturity of long-term deposits		1,248,000	1,175,250
Current maturity of long-term receivables		152,841	152,841
Other receivables		3,312,001	3,699,000
Short-term investments	8	27,262,953	16,193,934
Cash and bank balances		4,527,189	6,525,275
		<u>372,475,252</u>	<u>349,821,506</u>
TOTAL ASSETS		<u>561,346,829</u>	<u>543,654,084</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		27,209,836	27,209,836
Reserves		330,362,420	316,098,187
		<u>357,572,256</u>	<u>343,308,023</u>
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		28,299,827	28,066,373
Lease liabilities against right-of-use assets		-	414
Deferred liabilities		2,880,663	2,840,852
Deferred taxation		34,185,774	36,524,772
		<u>65,366,264</u>	<u>67,432,411</u>
CURRENT LIABILITIES			
Trade and other payables	9	117,785,462	117,315,926
Unclaimed dividends		299,912	299,912
Current maturity of lease liabilities against right-of-use assets		15,643	19,361
Taxation - net		20,307,292	15,278,451
		<u>138,408,309</u>	<u>132,913,650</u>
TOTAL LIABILITIES		<u>203,774,573</u>	<u>200,346,061</u>
TOTAL EQUITY AND LIABILITIES		<u>561,346,829</u>	<u>543,654,084</u>
CONTINGENCIES AND COMMITMENTS	10		


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


CHIEF FINANCIAL OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER


CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED


CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020


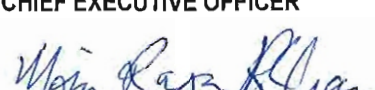
	Note	Quarter ended September 30, 2020 ----- (Rupees in thousand) -----	Quarter ended September 30, 2019 -----
Revenue from contracts with customers	11	39,318,015	41,877,740
Operating expenses	12	(9,404,632)	(9,303,296)
Royalties and other levies		(5,954,035)	(6,152,342)
		(15,358,667)	(15,455,638)
Gross Profit		23,959,348	26,422,102
Exploration expenses	13	(2,297,073)	(3,595,139)
Administrative expenses		(786,219)	(611,648)
Finance costs		(304,190)	(281,713)
Other charges	14	(2,136,846)	(3,567,901)
		18,435,020	18,365,701
Other income	15	758,528	935,816
Profit before taxation		19,193,548	19,301,517
Taxation	16	(4,868,599)	(4,953,935)
Profit after taxation		14,324,949	14,347,582
			(Restated)
Basic and diluted earnings per share (Rs)	19	5.26	5.27

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


CHIEF FINANCIAL OFFICER

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PAKISTAN PETROLEUM LIMITED

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020**

	Quarter ended September 30, 2020	Quarter ended September 30, 2019
	----- (Rupees in thousand) -----	
Profit after taxation	14,324,949	14,347,582
Other comprehensive income / (loss)		
Items that will not be subsequently reclassified in profit or loss		
Remeasurement gains on defined benefit plans - net	-	-
Deferred taxation	-	-
Items that may be reclassified to profit or loss in subsequent periods		
Foreign exchange differences on translation of subsidiaries	(60,716)	(264,447)
Other comprehensive loss, net of tax	(60,716)	(264,447)
Total comprehensive income for the period	<u>14,264,233</u>	<u>14,083,135</u>

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



CHIEF FINANCIAL OFFICER



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PAKISTAN PETROLEUM LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

Quarter ended
September 30,
2020
(Rupees in thousand)

Quarter ended
September 30,
2019

CASH FLOWS FROM OPERATING ACTIVITIES

Note	Quarter ended September 30, 2020 (Rupees in thousand)	Quarter ended September 30, 2019	
	Receipts from customers	37,235,058	23,647,229
	Receipts of other income	850,936	1,922,809
	Payment to suppliers / service providers and employees - net	(10,474,357)	(10,919,431)
	Payment of indirect taxes and Government levies including royalties	(15,421,263)	(14,721,808)
	Income tax paid	(2,164,565)	(2,720,952)
	Finance costs paid	(461)	(1,786)
	Long-term loans to employees - net	1,459	1,936
	Net cash generated from / (used in) operating activities	10,026,807	(2,792,003)

CASH FLOWS FROM INVESTING ACTIVITIES

	Capital expenditure	(2,583,169)	(6,205,234)
	Proceeds from sale of property, plant and equipment	8,353	3,620
	Redemption / (purchase) of long-term investments	1,296,979	(229,386)
	(Purchase) / disposal of mutual funds - net	(137,732)	4,049,860
	Long-term deposits	(72,750)	-
	Finance income received	475,014	978,449
	Net cash used in investing activities	(1,013,305)	(1,402,691)

CASH FLOWS FROM FINANCING ACTIVITIES

	Payment of liabilities against right-of-use assets	(4,132)	(18,695)
	Dividends paid	-	(2,539)
	Net cash used in financing activities	(4,132)	(21,234)
	Net increase / (decrease) in cash and cash equivalents	9,009,370	(4,215,928)
	Cash and cash equivalents at the beginning of the period	12,354,491	20,661,813
	Net foreign exchange differences	(76,169)	(397,942)
	Cash and cash equivalents at the end of the period	21,287,692	16,047,943

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



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PAKISTAN PETROLEUM LIMITED

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2020



	Subscribed and paid-up share capital		Capital reserve	Revenue reserves	Total
	Ordinary	Convertible preference			
----- (Rupees in thousand) -----					
Balance as at June 30, 2019 (Audited)	22,674,764	108	1,428	275,527,995	298,204,295
Comprehensive income for the period					
Profit after taxation	-	-	-	14,347,582	14,347,582
Other comprehensive loss for the quarter ended September 30, 2019, net of tax	-	-	-	(264,447)	(264,447)
Total comprehensive income for the quarter ended September 30, 2019	-	-	-	14,083,135	14,083,135
Conversion of preference shares into ordinary shares	1	(1)	-	-	-
Balance as at September 30, 2019	22,674,765	107	1,428	289,611,130	312,287,430
Balance as at June 30, 2020 (Audited)	27,209,718	118	1,428	316,096,759	343,308,023
Comprehensive income for the period					
Profit after taxation	-	-	-	14,324,949	14,324,949
Other comprehensive loss for the quarter ended September 30, 2020, net of tax	-	-	-	(60,716)	(60,716)
Total comprehensive income for the quarter ended September 30, 2020	-	-	-	14,264,233	14,264,233
Conversion of preference shares into ordinary shares	5	(5)	-	-	-
Balance as at September 30, 2020	27,209,723	113	1,428	330,360,992	357,572,256

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


CHIEF FINANCIAL OFFICER

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DIRECTOR


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CHIEF EXECUTIVE OFFICER

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

For the quarter ended September 30, 2020

1. LEGAL STATUS AND OPERATIONS

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

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

1.1 Pakistan Petroleum Limited

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

1.2 PPL Europe E&P Limited

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

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

1.3 PPL Asia E&P B.V.

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

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

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

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

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

For the quarter ended September 30, 2020

2. BASIS OF PREPARATION

- 2.1** These consolidated condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board as notified under the Companies Act, 2017 and provisions of and directives issued under the Companies Act, 2017. Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These consolidated condensed interim financial statements are unaudited and do not include all the information and disclosures required in the audited annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended June 30, 2020.

- 2.2** The SECP through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004 has exempted the Holding Company from consolidation of financial statements in respect of its investment in PPPFTC, a wholly owned subsidiary. Accordingly, the Group has not consolidated the subsidiary in its consolidated condensed interim financial statements for the quarter ended September 30, 2020.

3. CHANGE IN SIGNIFICANT ACCOUNTING POLICIES

- 3.1** 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, 2020.
- 3.2** The Holding Company follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of re-measurement of post-employment benefit plans has not been incorporated in these consolidated condensed interim financial statements, being immaterial.

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

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

Estimates, assumptions and judgments made by the management in the preparation of these 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, 2020.

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended June 30, 2020.

**NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the quarter ended September 30, 2020

	September 30, 2020 Unaudited	June 30, 2020 Audited
	(Rupees in thousand)	
5. PROPERTY, PLANT AND EQUIPMENT		
Opening Net Book Value (NBV)	102,955,049	99,830,396
Additions to owned assets	3,109,867	24,413,465
	106,064,916	124,243,861
Disposals during the period / year (NBV)	(368)	(3,700)
Adjustments during the period / year (NBV)	(9,959)	(118,155)
Depreciation / amortisation charged during the period / year	(4,905,103)	(21,166,957)
	101,149,486	102,955,049
Capital work-in-progress - note 5.1	54,528,210	56,960,035
	155,677,696	159,915,084
5.1 Capital work-in-progress		
Plant, machinery, fittings and pipelines	10,931,606	11,101,874
Exploration and Evaluation (E&E) assets - note 5.1.1	19,881,955	21,361,812
Development and production (D&P) assets	7,351,139	8,066,401
Lands, buildings and civil constructions	141,502	157,847
Capital stores for drilling and development	16,222,008	16,272,101
	54,528,210	56,960,035
5.1.1 Amounts under E&E assets are net of cost of dry wells charged to profit or loss during the period / year, amounting to Rs 1,677 million (June 30, 2020: Rs 11,480 million).		
	September 30, 2020 Unaudited	June 30, 2020 Audited
	(Rupees in thousand)	
6. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiaries		
- PPPFTC	1	1
Other investments		
- At amortised cost		
- Foreign currency term deposits with banks - note 6.1	36,056,980	37,353,959
Less: Current Maturity of Foreign currency term deposits with banks	(3,248,865)	(3,866,184)
	32,808,116	33,487,776

6.1 This represents foreign currency term deposits with banks amounting to US\$ 219.525 million (June 30, 2020: US\$ 222.345 million).

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

For the quarter ended September 30, 2020

**September 30,
2020**
Unaudited

June 30,
2020
Audited

(Rupees in thousand)

7. TRADE DEBTS

Unsecured and considered good

Related parties

Central Power Generation Company Limited (GENCO-II)	54,337,072	52,360,688
Sui Northern Gas Pipelines Limited (SNGPL)	157,784,596	152,669,744
Sui Southern Gas Company Limited (SSGCL)	102,258,549	97,048,476
Pak-Arab Refinery Limited (PARCO)	823,369	698,988
Pakistan Refinery Limited (PRL)	1,118,491	1,091,468
Oil & Gas Development Company Limited (OGDCL)	257,099	803,313
	316,579,176	304,672,677

Non-related parties

Attock Refinery Limited (ARL)	8,450,662	6,894,695
National Refinery Limited (NRL)	955,550	676,249
Others	498,449	200,865
	9,904,661	7,771,809
	326,483,837	312,444,486

Unsecured and considered doubtful

Non-related party

Byco Petroleum Pakistan Limited (Byco)	1,156,220	1,156,220
Less: Provision for doubtful debts - note 7.3	(1,156,220)	(1,156,220)
	-	-
	326,483,837	312,444,486

7.1 The ageing of trade debts is as follows:

Neither past due nor impaired	30,651,714	28,833,944
Past due but not impaired:		
Related parties		
- within 90 days	31,340,643	28,182,626
- 91 to 180 days	29,074,109	27,377,619
- over 180 days	230,328,513	222,869,312
	290,743,265	278,429,557
Non-related parties		
- within 90 days	3,070,769	2,711,071
- 91 to 180 days	316,902	985,550
- over 180 days	1,701,187	1,484,364
	5,088,858	5,180,985
	326,483,837	312,444,486

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

For the quarter ended September 30, 2020

- 7.2** Trade debts include overdue amount of Rs 289,767 million (June 30, 2020: Rs 277,488 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 7,221 million (June 30, 2020: Rs 7,268 million) overdue receivable from refineries (i.e. ARL, Byco, PARCO, NRL and PRL) and various LPG customers.

Based on the measures being undertaken by the GoP, the Group considers the overdue amounts 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.

- 7.3** The Holding Company has filed a legal suit in the Sindh High Court (SHC) against Byco for recovery of overdues. The said suit is pending adjudication before the SHC.

	September 30, 2020 Unaudited	June 30, 2020 Audited
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(Rupees in thousand)

8. SHORT-TERM INVESTMENTS

At amortised cost

- Foreign currency term deposits with banks	2,516,310	2,136,960
- Local currency term deposits with banks	10,092,255	3,692,256
- Treasury bills	4,151,938	-
	16,760,503	5,829,216

At fair value through profit or loss

- Mutual Funds	10,502,450	10,364,718
	27,262,953	16,193,934

9. TRADE AND OTHER PAYABLES

Creditors	486,271	1,026,673
Accrued liabilities	9,746,829	9,212,656
Security deposits / advances from LPG distributors	640,668	148,855
Retention money	68,821	117,964
Gas Development Surcharge (GDS)	40,868,615	38,278,399
Gas Infrastructure Development Cess (GIDC)	9,410,678	10,248,820
Federal excise duty (net)	132,895	101,064
Sales tax (net)	1,295,719	1,602,103
Royalties	9,356,482	9,385,306
Lease extension bonus	21,830,781	20,585,132
Current accounts with joint operations	13,424,143	16,769,871
Staff retirement benefit plans	418,431	1,033,050
Provision for windfall levy on oil/condensate	8,272,937	7,896,937
Workers' Profits Participation Fund (WPPF)	985,488	-
Contractual obligations for Iraq EDPSC	664,611	719,368
Others	182,093	189,728
	117,785,462	117,315,926

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

For the quarter ended September 30, 2020

10. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and in total commitments as disclosed in the audited consolidated financial statements for the year ended June 30, 2020.

Quarter ended
September 30
2020

Quarter ended
September 30
2019

(Rupees in thousand)

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

Gross revenue

Natural gas	39,973,840	41,036,420
Gas supplied to Sui villages	203,960	155,220
Internal consumption of gas	114,847	116,766
Crude oil / Condensate / Natural Gas Liquids	9,155,872	11,883,429
LPG	2,000,139	2,012,375
Barytes	63,406	346,405
	51,512,064	55,550,615

Government levies / discounts

Federal excise duty	(457,482)	(491,376)
Sales tax	(6,171,317)	(6,336,163)
GDS	(5,122,974)	(5,693,267)
GIDC	(314,059)	(1,035,139)
Petroleum levy	(125,292)	(96,931)
Discounts (Barytes)	(2,925)	(19,999)
	(12,194,049)	(13,672,875)
	39,318,015	41,877,740

12. OPERATING EXPENSES

Salaries, wages, welfare and other benefits	1,782,156	1,592,633
Operator's personnel	578,226	498,395
Depreciation	1,867,184	2,146,895
Amortisation of decommissioning assets	390,601	243,791
Amortisation of D&P assets	2,602,463	2,369,719
Plant operations	688,485	761,663
Well interventions	165,482	305,730
Field services	625,860	546,744
Crude oil transportation	215,478	349,355
Travelling and conveyance	61,960	101,562
Training & development	7,543	5,485
PCA overheads	48,745	22,843
Insurance expenses	142,029	148,986
Free supply of gas to Sui villages	203,960	155,220
Social welfare / community development	24,172	53,871
Other expenses	288	404
	9,404,632	9,303,296

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

For the quarter ended September 30, 2020

13. EXPLORATION EXPENSES

- 13.1 Exploration expenses for the period also include cost of dry wells amounting to Rs 1,677 million (September 2019: Rs 2,659 million).

	Quarter ended September 30 2020	Quarter ended September 30 2019
	(Rupees in thousand)	
14. OTHER CHARGES		
WPPF charge	1,021,256	1,105,407
Exchange loss on foreign currency (net)	871,719	1,767,192
Provision for obsolete / slow moving stores & spares and windfall levy on oil / condensate	243,871	695,000
Others	-	302
	<u>2,136,846</u>	<u>3,567,901</u>
15. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	97,770	221,052
Income on term deposits	65,839	160,223
Income on foreign currency long-term investments at amortised cost	333,110	497,642
Income from investment in treasury bills	94,072	-
Dividend income / gain on re-measurement of investments designated at fair value through profit or loss (net)	155,729	37,347
	<u>746,520</u>	<u>916,264</u>
Income from assets other than financial assets		
Rental income on assets	1,534	1,399
Profit on sale of property, plant and equipment (net)	7,985	2,528
Share of profit on sale of LPG	-	4,338
Others	2,489	11,287
	<u>12,008</u>	<u>19,552</u>
	<u>758,528</u>	<u>935,816</u>
16. TAXATION		
Current	7,207,597	6,568,253
Deferred	(2,338,998)	(1,614,318)
	<u>4,868,599</u>	<u>4,953,935</u>
17. CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,527,189	3,485,459
Short-term highly liquid investments	16,760,503	12,562,484
	<u>21,287,692</u>	<u>16,047,943</u>

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

For the quarter ended September 30, 2020

18. TRANSACTIONS WITH RELATED PARTIES

The related parties are comprised of state controlled entities, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. 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:

	Quarter ended September 30 2020	Quarter ended September 30 2019
	(Rupees in thousand)	
Sales of gas / barytes to State controlled entities (including Government levies)		
GENCO-II	9,210,385	11,233,527
SSGCL	12,243,048	11,138,356
SNGPL	18,520,407	18,584,718
OGDCL	408,015	27,927
	<u>40,381,855</u>	<u>40,984,528</u>
Long-term receivables, trade debts and other receivables from state controlled entities as at September 30		
	<u>314,862,941</u>	<u>244,779,972</u>
Transactions with Associated Companies		
Sales of crude oil / condensate to PARCO	<u>1,132,677</u>	<u>2,395,910</u>
Sales of crude oil / condensate to PRL	<u>420,131</u>	<u>810,170</u>
Payment to Total PARCO Pakistan Limited	<u>2,559</u>	<u>165,209</u>
Payment to Petroleum Institute of Pakistan	<u>975</u>	<u>4,092</u>
Deposits with Habib Metropolitan Bank Limited as at September 30	<u>14,260,926</u>	<u>-</u>
Deposits with Askari Bank Limited (AKBL) as at September 30	<u>22,642</u>	<u>14,324</u>
Letters of credit placed with AKBL as at September 30	<u>142,445</u>	<u>68,023</u>
Transactions with Joint Operations		
Payments of cash calls to joint operations	<u>7,806,045</u>	<u>11,595,036</u>
Expenditures incurred by the joint operations	<u>4,288,730</u>	<u>7,229,613</u>
Under advance balances relating to joint operations as at September 30	<u>12,692,051</u>	<u>11,280,288</u>
Current account receivables relating to joint operations as at September 30	<u>2,217,940</u>	<u>1,074,053</u>
Current account payables relating to joint operations as at September 30	<u>266,244</u>	<u>602,231</u>
Income from rental of assets to joint operations	<u>1,534</u>	<u>1,399</u>
Purchase of goods from BME (net)	<u>-</u>	<u>173,305</u>
Reimbursement of employee cost on secondment to BME	<u>5,203</u>	<u>4,503</u>

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

For the quarter ended September 30, 2020

	Quarter ended September 30 2020	Quarter ended September 30 2019
	(Rupees in thousand)	
Other related parties		
Transactions with retirement benefit funds	<u>258,987</u>	274,535
Remuneration to key management personnel	<u>622,275</u>	517,874
Payment of rental to Pakistan Industrial Development Corporation	<u>35,883</u>	32,227
Payment of rental to Karachi Port Trust	<u>2,347</u>	3,200
Payment to National Insurance Company Limited (NICL)	<u>52,689</u>	115,041
Payment to Pakistan State Oil Company Limited	<u>14,710</u>	118,958

18.1 Aggregate amount charged in these consolidated condensed interim financial statements in respect of fees paid to seven non-executive directors of the Holding Company was Rs 5.125 million (September 2019: Rs 2.950 million to nine non-executive directors).

18.2 The Holding Company has guaranteed the performance and fulfilment of obligations by PPLA under the Exploration, Development and Production Service Contract (EDPSC). Total financial commitment of PPLA is US\$ 100 million (Rs 16,475 million), out of which US\$ 32.558 million (Rs 5,364 million) is outstanding.

18.3 The Holding Company has provided parent company guarantee amounting to US\$ 5.3 million (Rs 873 million) to GoP in respect of PPLE's exploration licenses in Pakistan i.e. Barkhan, Harnai and Ziarat.

	Quarter ended September 30 2020	Quarter ended September 30 2019
19. EARNINGS PER SHARE		
19.1 Basic earnings per share		
Profit after taxation (Rs '000)	<u>14,324,949</u>	14,347,582
Dividend on convertible preference shares (Rs '000)	<u>(35)</u>	(32)
Profit attributable to ordinary shareholders (Rs '000)	<u>14,324,914</u>	14,347,550
		(Restated)
Weighted average number of ordinary shares in issue	<u>2,720,971,973</u>	2,720,971,666
		(Restated)
Basic earnings per share (Rs)	<u>5.26</u>	5.27

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

For the quarter ended September 30, 2020

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

	Quarter ended September 30 2020	Quarter ended September 30 2019
19.2 Diluted earnings per share		
Profit after taxation (Rs '000)	<u>14,324,949</u>	<u>14,347,582</u> (Restated)
Weighted average number of ordinary shares in issue	<u>2,720,971,973</u>	2,720,971,666
Adjustment for convertible preference shares	<u>11,555</u>	11,862 (Restated)
Weighted average number of ordinary shares for diluted earnings per share	<u>2,720,983,528</u>	2,720,983,528 (Restated)
Diluted earnings per share (Rs)	<u>5.26</u>	<u>5.27</u>

20. DATE OF AUTHORISATION FOR ISSUE

These consolidated condensed interim financial statements were authorised for issue on October 23, 2020 by the Board of Directors of the Holding Company.



21. GENERAL

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


CHIEF FINANCIAL OFFICER

CHIEF FINANCIAL OFFICER


DIRECTOR


CHIEF EXECUTIVE OFFICER

CHIEF EXECUTIVE OFFICER



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