



Pakistan Petroleum Limited

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

Our reference: CS/PSX-0042

Your reference:

Date: 28th February 2022

Ms. Asmaa Saleem Malik
Deputy General Manager
Listing Department
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Madam,

Re: Report for the Half Year Ended 31st December 2021

As required by Rule 5.6.9 (c) of PSX Rules please find attached the Company's half yearly report for the period ended 31st December 2021, for circulation among your members.

Yours truly,

Ali Jaffar
Company Secretary

Enclosure: As above.

Half Yearly Report
December 2021



وہی جہاں ہے ترا جبر کو تو کرے پیدا یہ سنگ و خشت نہیں، جو تری نگاہ میں ہے





COMPANY INFORMATION

Board of Directors

Mr. Shahab Rizvi
Chairman

Mr. Moin Raza Khan
Chief Executive Officer /
Managing Director

Mr. Abid Sattar

Mr. Aftab Ahmad

Mr. Ali Raza Bhutta

Mr. Awais Manzoor Sumra

Mr. Imtiaz A.H. Laliwala

Ms. Khurshid Bhaimia

Mr. Mian Imtiazuddin

Mr. Syed Zakria Ali Shah

Company Secretary

Mr. Ali Jaffar

Registered Office

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

Contact Details

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

Registration Number

CUIN: 0000378

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Bankers

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

Shares Registrar

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

Legal Advisors

Messrs. Surridge & Beecheno

DIRECTORS' INTERIM REVIEW

Your directors are pleased to present the unaudited condensed interim financial statements for the half year ended December 31, 2021 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, 2021 are as follows:

Discoveries

One discovery has been made during the period under review in partner operated block i.e., Jugan-1 (Latif block). Subsequent to the period end, another discovery has been made in the same block i.e., Mohar-1.

Geophysical Surveys

In PPL operated blocks, gravity and magnetic data of 14,732 Line Km and 14,626 Line Km, respectively, was acquired during the current period.

Financial Highlights

The key financial results of the Company for the half year ended December 31, 2021 are as follows:

	Half year ended December 31, 2021	Half year ended December 31, 2020
	Rs Million	
Sales revenue (net)	89,528	75,539
Profit before taxation	45,350	34,689
Taxation	(13,641)	(8,452)
Profit after taxation	31,709	26,237
Basic and Diluted Earnings Per Share (Rs)	11.65	9.64

Sales revenue

Sales revenue increased by Rs 13,989 million during the current period as compared to the corresponding period. The increase is due to positive variance on account of price (including change in exchange rate) amounting to Rs 18,983 million, partially offset by negative volume variance of Rs 4,994 million.

Positive price variance is due to increase in average international crude oil prices from US\$ 43.66 / bbl in the corresponding period to US\$ 75.71 / bbl during the current period, coupled with devaluation of Pak rupee against US dollar (average exchange rate for the current period was PKR 169.63 as compared to PKR 164.03 during the corresponding period).

Negative volume variance is mainly attributable to Tal, Kandhkot, Sui, Adhi, Nashpa and Latif fields, partially offset by higher production from Gambat South, BME and commencement of production from Shah Bandar.

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

	Unit	Half year ended December 31, 2021	Half year ended December 31, 2020
Natural Gas	MMscf	109,262	122,528
Crude Oil / Natural Gas Liquids / Condensate	BBL	2,313,693	2,637,373
Liquefied Petroleum Gas (LPG)	Tonnes	57,744	56,669
Barytes	Tonnes	45,568	19,319

Profitability

Profitability increased by ~21% as compared to the corresponding period. The main drivers are increase in sales revenue (as explained above) and other income, partially offset by higher exploration expenses, other charges and booking of share of loss pertaining to Pakistan International Oil Limited (PIOL).

Higher other income is mainly attributable to exchange gain during the current period as compared to exchange loss in the corresponding period due to devaluation of Pak Rupee against US Dollar at the end of the period.

Surge in exploration expenses is due to higher cost of dry wells charged to profit or loss during the current period.

Increase in other charges is due to write-off of unusable / scrap inventory items and higher provision for windfall levy on oil (Tal block) as a result of significant increase in international crude oil prices during the current period.

LIQUIDITY MANAGEMENT AND CASH FLOW POSITION

Overall collections from customers decreased as compared to the corresponding period despite increase in sales, resulting in further increase in trade debts by ~13%, which stood at Rs 320 billion (June 30, 2020: Rs 282 billion). Accordingly, Circular Debt continues to be considered as a critical risk in the achievement of the Company's strategic objectives. The Company remained actively engaged with all stakeholders including relevant Ministries for both temporary relief to meet short-term cash flow requirements, as well as long-term permanent solution to Circular Debt.

FOCUS AREAS

Exploration

At present, the Company's portfolio, together with its subsidiaries and the associate, consists of forty-four exploratory blocks, out of which twenty-seven are operated (including one offshore block in Pakistan, Block-8 in Iraq being operated by PPL Asia and offshore Block-5 in Abu Dhabi, being operated by PIOL) and remaining seventeen, including one onshore block in Yemen, are partner operated. Update of major activities is as follows:

Exploration South Assets

In Gambat South block, drilling of exploratory well Qasar X-1 was completed. However, due to discouraging results, the well was plugged & abandoned.

In Hala block, preparations are underway to spud exploratory well Bazil X-1.

In Khipro East block, drilling of 1st exploratory well Khipro East X-1 is in progress.

The Company has applied to GoP for relinquishment of Jungshahi block on expiry of Phase-I of exploration licence on December 31, 2021.

Exploration Frontier Assets

In Kharan and Kharan East blocks, gravity and magnetic data acquisition has been completed, whereas seismic crew has been mobilised to acquire 2D / 3D seismic data in these blocks.

In Musakhel Block, processing and interpretation of gravity and magnetic data have been completed, whereas preparations are underway to acquire 2D seismic data.

The Company has acquired sixty percent working interest along with operatorship of Eastern Offshore Block-C from Eni with effect from June 9, 2021.

The Company has applied to GoP for relinquishment of Hab block (excluding Hab Tight Gas discovery area) on expiry of Phase-II of exploration licence i.e., February 19, 2022.

Exploration North Assets

As part of post well evaluation of Dhok Sultan-2 well, Seismic Fracture Reservoir Characterisation Study is expected to commence by February 2022, which will help in the identification of potential locations for future exploration and development wells.

In Punjab block, acquisition of gravity & magnetic data has been completed.

Partner-Operated Exploration Blocks

In Latif block, subsequent to the period end, exploratory well Mohar-1 was successfully completed as a gas producer. The gas discovery was made in B-Sands of Lower Goru Formation. Further, testing is in progress to evaluate the full potential of the well.

In Ziarat Block, 3D seismic data acquisition is in progress, whereas, in Kirthar block, seismic crew has been mobilised for acquisition of ~45 Line Km 2D data.

New Block Acquisition

PPL-led consortium comprising of Oil and Gas Development Company Limited (OGDCL), Mari Petroleum Company Limited (MPCL) and Government Holdings (Private) Limited (GHPL) has been awarded Offshore Block 5 in Abu Dhabi's second competitive block bid round. The exploration concession agreement for the offshore block was signed by Managing Director and Group Chief Executive Officer of Abu Dhabi National Oil Company (ADNOC), Dr. Sultan Ahmed Al Jaber and Managing Director and Chief Executive Officer of PPL, Mr. Moin Raza Khan on August 31, 2021. The offshore block covers an area of 6,223 square kilometers. This is the first-ever concession award for Pakistani Exploration & Production companies to explore, appraise and develop oil and gas resources in Abu Dhabi, along with establishing a strategic partnership with ADNOC. The offshore block is operated by Pakistan International Oil Limited (PIOL), a newly formed company consisting of PPL (Operator), OGDCL, MPCL and GHPL each having 25% equity investment in the block.

Producing Fields

Sui

For revamping of existing SML Compressors, design engineering work is in progress. Production Logging Tests (PLTs) were conducted on three SML wells i.e., Sui-41, Sui-43 and Sui-54, to evaluate and confirm the workover candidates. Sui-43 was finalised for workover and its site

construction process has been initiated. In addition, preparation for downhole integrity logs is in progress.

Further, maintenance and enhancement of reliability activities were undertaken at Purification Plant and Gas Compression Station, including major overhaul of Solar Gas turbine, purification banks and boilers. In addition, water piping network within and outside fenced area is being revamped to avoid losses and reinforce adequate water management.

Kandhkot

Maintenance and upgrade / enhancement of plant reliability activities were undertaken at Kandhkot Gas Field, including External Corrosion Direct Assessment (ECDA) and Direct Current Voltage Gradient (DCVG) survey for health & integrity assessment of pipelines (Gas Gathering Main & Feeder lines), third party inspection of condensate storage tanks & lifting equipment and on-going rehabilitation activities of 30-year-old Bela Dhoru Bridge.

Gas sales during the period averaged around 71 MMscfd as against field potential of ~200 MMscfd, due to significantly lower offtakes by the customer i.e., GENCO-II.

Gambat South / Hala / Mazarani

With respect to Zafir-GPF (Rehabilitation of GPF-III), the Company is constrained to execute the project due to legal impediments and efforts are ongoing to sort out the issues. In the meantime, pre-qualification of construction contractors has been completed.

Engineering works have been completed for Gambat South compression project and purchase orders for compressors (2 X 30 MMscfd) and three phase separators were placed. Bids obtained from prequalified construction contractors are being evaluated.

Construction of 7 km feeder line to tie-in of exploratory well Bashar X-1 ST with Hala plant is in progress.

GoP has renewed Mazarani D&PL for a period of four years with effect from September 01, 2021 while revision in sales gas price to economically produce from the field is under consideration of the GoP.

Dhok Sultan

Mechanical Completion of Dhok Sultan Oil Handling Facility Project and Meyal Integration Project has been achieved. Pre-commissioning and testing of facility equipment have also been completed.

Bolan Mining Enterprise (BME)

Mining lease for Baryte Lead Zinc (BLZ) project has been awarded for an area of 30 Sq. km. Land acquisition process has been initiated in coordination with Government of Balochistan (GoB). Mining Lease deed was signed on December 06, 2021.

For finalisation of bankable feasibility of Nokkundi Iron ore project, confirmatory / geotechnical / exploratory drilling activities for 2,000 meters at Pachinkoh Nokkundi on shallow bearing iron ore horizon stands completed, whereas tendering process for execution of additional 6,000 meters drilling for deeper iron ore horizon is in progress.

Partner-Operated Assets

In Kirthar block, site preparation for drilling of development well Rizq-4 has been completed. Site construction for development wells Nashpa-11 (Nashpa block) and Tolanj West-2 (Tal block) is in progress.

In Sawan D&PL, front-end compressors, having turndown limit of 25 MMscfd, have been replaced with smaller compressors to ensure continuous flow below 25 MMscfd. Further, Single Plant Operation (SPO) has been commissioned where all middle Indus fields have been diverted to Sawan Plant. Consequently, this has enabled to extend field life of the relevant fields besides significant potential savings on operating costs.

Corporate Social Responsibility

Despite restrictions due to COVID-19, the Company continued to work for uplifting of living conditions of communities and promotion of education at its producing and exploratory areas across the country and in this respect, construction of 2 school buildings was completed along with construction of classrooms in 4 schools. Besides this, construction of 41 school buildings in various villages is in progress.

Furthermore, the Company continued to provide health care services to the population of Sui through Public Welfare Hospital, Sui. Moreover, the Company continued operations of mobile medical dispensaries & public dispensary at and around its operational areas and organised 2 surgical camps at Dera Bugti and Sui during the period.

Quality, Health, Safety and Environment (QHSE)

COVID-19 new variant 'Omicron' surfaced during the reporting period across the country. Management's focus and efforts continued for coping up with the changing scenario at national and global levels. Regular Incident Management Team meetings were held for reviewing emerging situations and making decisions accordingly.

In addition, about 25 million safe manhours were completed (including Company and contractors) by end of December 2021.

Industrial Relations

Negotiations on Charter of Demands (CoD) for the year 2020–2021 are underway with CBA Union. Conducive working environment and cordial industrial relations prevail at all locations of the Company.

ACKNOWLEDGEMENT

In these unprecedented times arising as a result of the COVID-19 pandemic, the Company is continuing to do well and is geared up to tackle the evolving circumstances as they come. This was made possible with the dedication and steadfastness shown by our employees, who deserve full credit. We are also thankful for 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



**MANAGING DIRECTOR /
CHIEF EXECUTIVE OFFICER**

Karachi: February 25, 2022

ڈائریکٹر کا عبوری جائزہ

آپ کے ڈائریکٹر 31 دسمبر 2021 کو ختم ہونے والی ششماہی کے لیے غیر آڈٹ شدہ مجتمع عبوری مالیاتی گوشوارے اور کمپنی کے امور کا مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

آپریٹنگ اور مالی جھلکیاں

آپریٹنگ جھلکیاں

31 دسمبر 2021 کو ختم ہونے والی ششماہی کی اہم آپریٹنگ جھلکیاں مندرجہ ذیل ہیں:

دریافت

زیر غور مدت کے دوران پارٹنر آپریٹنگ بلاک میں جو گن-1 (لطیف بلاک) سے ایک دریافت ہوئی ہے۔ مدت ختم ہونے کے بعد، اسی بلاک میں ایک اور دریافت موہر-1 ہوئی ہے۔

ارضی طبعی سروے

موجودہ مدت کے دوران پی پی ایل آپریٹنگ بلاکس میں بالترتیب 14,732 لائن کلومیٹر اور 14,626 لائن کلومیٹر کا کشتی نقل اور مقناطیسی ڈیٹا حاصل کیا گیا۔

مالیاتی جائزہ

31 دسمبر 2021 کو ختم ہونے والی ششماہی کے لیے کمپنی کے اہم مالیاتی نتائج حسب ذیل ہیں:

ششماہی کا اختتام 31 دسمبر 2020	ششماہی کا اختتام 31 دسمبر 2021	
ملین روپے		
75,539	89,528	فروخت آمدن (خالص)
34,689	45,350	قبل از ٹیکس منافع
(8,452)	(13,641)	ٹیکس
26,237	31,709	بعد از ٹیکس منافع
9.64	11.65	بنیادی اور تحلیل شدہ آمدن فی شیئر (روپے)

فروخت آمدن

پچھلی مدت کے مقابلے میں موجودہ مدت کے دوران فروخت آمدن میں 13,989 ملین روپے کا اضافہ ہوا۔ یہ اضافہ قیمت کی مد میں مثبت تغیر (بشمول زیر مبادلہ کی شرح) کی وجہ سے ہے جو 18,983 ملین روپے رہا جسے جزوی طور پر حجم کی مد میں 4,994 ملین روپے کے منفی تغیر نے زائل کیا۔

قیمت کے مثبت تغیر کی بنیادی وجہ عالمی منڈی میں خام تیل کی اوسط بین الاقوامی قیمتوں میں ہونے والا اضافہ ہے جس کی بناء پر تیل کی قیمت تقابلی عرصے میں 43.66 امریکی ڈالر فی بیرل کے مقابلے میں موجودہ عرصے کے دوران 75.71 امریکی ڈالر فی بیرل ہو گئی جس کے ساتھ ساتھ پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں کمی (موجودہ عرصے کے دوران زرمبادلہ کی اوسط شرح 169.63 روپے فی امریکی ڈالر تھی جبکہ تقابلی عرصے کے دوران یہ شرح 164.03 روپے فی امریکی ڈالر تھی) بھی واقع ہوئی۔

حجم میں منفی تغیر خصوصاً ٹیل، کندھ کوٹ، سوئی، آدھی، ناشپا اور لطیف فیلڈز کی وجہ سے رہا جس کے اثر کو گمبٹ ساؤتھ اور بولان مائننگ انٹرپرائز سے زیادہ پیداوار کے ساتھ ساتھ شاہ بندر سے شروع ہونے والی ابتدائی پیداوار نے جزوی طور پر زائل کیا۔

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

ششماہی کا اختتام 31 دسمبر 2020	ششماہی کا اختتام 31 دسمبر 2021	یونٹ	
122,528	109,262	ایم ایم ایس سی ایف	قدرتی گیس
2,637,373	2,313,693	بی بی ایل	خام تیل/قدرتی گیس مائع (این جی ایل)/کنڈنسیٹ
56,669	57,744	ٹن	مائع پٹرولیم گیس (ایل پی جی)
19,319	45,568	ٹن	بیرائنس

منافع

کمپنی کی منفعت میں تقابلی عرصے کے مقابلے میں تقریباً 21 فیصد اضافہ ہوا ہے۔ اس کی بنیادی وجہ فروخت آمدن (جیسا کہ اوپر بیان کیا گیا ہے)، دیگر آمدنی میں ہونے والا اضافہ ہے جسے دریافتی و دیگر اخراجات سمیت پاکستان انٹرنیشنل آئل لمیٹڈ (PIOL) کی مد میں خسارے کے اندراج نے جزوی طور پر زائل کیا۔

دیگر آمدنی میں اضافہ بنیادی طور پر موجودہ مدت کے دوران زرمبادلہ کی مد میں اضافہ ہے جو مدت کے اختتام پر پاکستانی روپے کی قدر میں امریکی ڈالر کے مقابلے میں ہونے والی کمی سے منسوب ہے جبکہ تقابلی مدت کے اختتام پر امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں اضافہ ہونے کی وجہ سے زرمبادلہ کی مد میں کمی ہوئی تھی۔

دریافت کے اخراجات میں اضافہ موجودہ مدت کے دوران خشک کنوں کی زیادہ قیمت کی وجہ سے ہے جسے نفع یا نقصان کے کھاتے میں درج کر دیا گیا۔

دیگر اخراجات میں اضافہ موجودہ مدت کے دوران ناقابل استعمال سامان/اسکرپٹ انویسٹری آئٹمز کو ٹھکانے لگانے اور بین الاقوامی خام تیل کی قیمتوں میں نمایاں اضافے کے نتیجے میں ٹیکس ہلاک پر لاگو ہونے والے وٹڈ فال لیوی میں ہونے والا کمنا اضافہ ہے۔

سیالیت/لیکویڈیٹی کی انتظام کاری اور کیش فلو کی صورتحال

فروخت میں اضافے کے باوجود، اس مدت کے دوران پچھلی مدت کے مقابلے میں صارفین کی جانب سے مجموعی وصولیوں میں کمی واقع ہوئی جس کے نتیجے میں تجارتی قرضوں میں مزید تقریباً 13 فیصد اضافہ ہوا، جو 320 ارب روپے رہا (30 جون 2020: 282 ارب روپے)۔ لہذا، گردش قرضہ کمپنی کی حکمت عملی کے مقاصد کے حصول میں سب سے اہم خطرہ ہے۔ اس ضمن میں کمپنی تمام شراکت داروں بشمول متعلقہ وزارتوں کے ساتھ مختصر مدت کی کیش فلو کی ضروریات کو پورا کرنے کے لئے عارضی ریلیف کے ساتھ گردش قرضے

کے طویل مدتی مستقل حل کے لیے فعال طور پر مصروف عمل رہی ہے۔

اہم امور

دریافتی سرگرمیاں

اس وقت، کمپنی کا دریافتی پروگرام، اپنے ماتحت اور متعلقہ اداروں کے ساتھ مل کر 44 دریافتی بلاکس پر مشتمل ہے، جن میں سے 27 آپریٹڈ ہیں (بشمول پاکستان میں ایک آف شور بلاک، پی پی ایل ایشیا کے زیر انتظام عراق میں بلاک 8 اور پاکستان انٹرنیشنل آئل لمیٹڈ کے زیر انتظام ابوظہبی میں آف شور بلاک 5) اور باقی 17، جن میں یمن میں ایک آن شور بلاک سمیت، پارٹنر آپریٹڈ ہیں۔

اہم سرگرمیوں کی تازہ ترین صورت حال درج ذیل ہے:

جنوبی دریافتی اثاثے

گمبٹ سادھ بلاک میں دریافتی کنوئیں قصر 1-X کی کھدائی مکمل ہو چکی ہے۔ تاہم خاطر خواہ نتائج حاصل نہ ہونے کی وجہ سے، کنوئیں کو بند کر کے ترک کر دیا گیا۔

ہالہ بلاک میں، دریافتی کنوئیں باڈل 1-X کی کھدائی کے لیے تیاریاں جاری ہیں۔

کھروایٹ بلاک میں، کھروایٹ 1-X کے پہلے دریافتی کنوئیں کی کھدائی جاری ہے۔

کمپنی نے 31 دسمبر 2021 کو ایکسپلوریشن لائسنس کے فیئر-1 کی میعاد ختم ہونے پر جنگ شاہی بلاک سے دستبرداری کے لیے حکومت پاکستان کو درخواست دے دی ہے۔

سرحدی دریافتی اثاثے

خاران اور خاران ایسٹ بلاکس میں، کشش ثقل اور مقناطیسی ڈیٹا کے حصول کا کام مکمل ہو چکا ہے جب کہ سائزنگ کے عمل کو ان بلاکس میں 2D/3D سیمپل ڈیٹا کے حصول کے لیے متحرک کر دیا گیا ہے۔

موی خیل بلاک میں کشش ثقل اور مقناطیسی ڈیٹا کی پروسیسنگ اور تشریح مکمل کر لی گئی ہے جب کہ 2D سیمپل ڈیٹا حاصل کرنے کی تیاریاں جاری ہیں۔

کمپنی نے 9 جون 2021 سے ای این آئی سے ایسٹرن آف شور بلاک C کی 60 فیصد شراکت کے ساتھ آپریٹنگ حاصل کر لی ہے۔

کمپنی نے حب بلاک کے ایکسپلوریشن لائسنس کے فیئر-II کی میعاد 19 فروری 2022 کو ختم ہونے پر حب ٹائٹ گیس کے دریافتی علاقے کو چھوڑ کر بلاک سے دستبرداری کے لیے حکومت پاکستان کو درخواست دے دی ہے۔

شمالی دریافتی اثاثے

ڈھوک سلطان-2 کنوئیں کی بعد از کھدائی تجزیے کے نتیجے میں، سیمپل فریکچر ریزروائر کیریٹر انزایشن تحقیق کا آغاز فروری 2022 تک متوقع ہے، جس سے مستقبل میں کنوئیں کی تلاش اور پیداوار کے لیے ممکنہ علاقوں کی نشان دہی میں مدد ملے گی۔

پنجاب بلاک میں، کشش ثقل اور مقناطیسی ڈیٹا کا حصول مکمل کر لیا گیا ہے۔

پارٹنر آپریٹڈ دریافتی بلاک

لطیف بلاک میں، مدت ختم ہونے کے بعد، دریافتی کنواں موہر-1 کو گیس پیدا کرنے والے کنوئیں کے طور پر کامیابی سے مکمل کیا گیا۔ گیس کی یہ دریافت، لوئر گورڈونریشن کی B سینڈ میں کی گئی، مزید برآں، کنوئیں کی مکمل صلاحیت کا جائزہ لینے کے لیے جانچ جاری ہے۔

زیارت بلاک میں، 3D سائزک ڈیٹا کا حصول جاری ہے، جب کہ کیرتھر بلاک میں، سائزک عملے کو 45~ لائن کلومیٹر 2D ڈیٹا کے حصول کے لیے متحرک کیا گیا ہے۔

نئے بلاک کا حصول

پی پی ایل کی زیر قیادت آئل اینڈ گیس ڈیولپمنٹ کمپنی لمیٹڈ (OGDCL)، ماری پیٹرولیم کمپنی لمیٹڈ (MPCL) اور گورنمنٹ ہولڈنگز (پرائیویٹ) لمیٹڈ (GHPL) پر مشتمل ایک کنسورشیئم نے ابوظہبی کے دوسرے مسابقتی بلاک بولی راؤنڈ میں آف شور بلاک 5 حاصل کیا۔ آف شور بلاک کے لیے ایکسپلوریشن کنسیشن معاہدے پر 31 اگست 2021 کو ابوظہبی نیشنل آئل کمپنی (ADNOC) کے مینجنگ ڈائریکٹر اور گروپ چیف ایگزیکٹو آفیسر ڈاکٹر سلطان احمد الجابر اور پی پی ایل کے مینجنگ ڈائریکٹر اور چیف ایگزیکٹو آفیسر جناب معین رضا خان نے دستخط کیے۔ آف شور بلاک 6,223 مربع کلومیٹر پر محیط ہے۔ ADNOC سے حکمت عملی پر مبنی شراکت داری قائم کرنے کے ساتھ ساتھ ابوظہبی میں تیل اور گیس کے وسائل کی دریافت، تشخیص اور پیداوار کے حوالے سے یہ پاکستانی دریافتی و پیداواری کمپنیوں کے لیے پہلے دریافتی بلاک کا ابواب ہے۔ آف شور بلاک 5 ایک نئی تشکیل شدہ کمپنی، پاکستان انٹرنیشنل آئل لمیٹڈ (PIOL) کے زیر انتظام ہے جس میں پی پی ایل بحیثیت آپریٹر کے ساتھ OGDCL، MPCL اور GHPL میں سے ہر ایک 25 فیصد سرمایہ کاری کیساتھ شراکت دار ہے۔

پیداواری فیلڈز

سوئی

موجودہ ایس ایم ایل (SML) کمپریسرز کو بہتر بنانے کے لیے، ڈیزائن انجینئرنگ کا کام جاری ہے۔ پروڈکشن لاگنگ ٹیسٹ (PLTs)، تین ایس ایم ایل (SML) کنوؤں: سوئی-41، سوئی-43 اور سوئی-54 پر کیے گئے تاکہ کنوؤں کے ورک اور کے کام کی جانچ اور تصدیق کی جاسکے۔ سوئی-43 کو ورک اور کے لیے حتمی شکل دے دی گئی اور اس کے لئے جگہ کی تعمیر کا عمل شروع کر دیا گیا ہے۔ اس کے علاوہ، ڈاؤن ہول انجیکٹری لاگنگ کی تیاری جاری ہے۔

مزید برآں، پیوریفیکیشن پلانٹ اور گیس کمپریشن اسٹیشن پر بحالی اور پروسیسنگ کے تسلسل کو برقرار رکھنے کی سرگرمیوں کا آغاز ہوا، جن میں سولر گیس ٹربائن، پیوریفیکیشن پنکس اور بوائرس کی بڑی تجدید شامل ہے۔ اس کے علاوہ فیلڈ کے احاطے اور اس کے باہر پانی کی پائپنگ کے نیٹ ورک کو از سر نو تعمیر کیا جا رہا ہے تاکہ پانی کے مناسب انتظام کو تقویت دی جاسکے اور اس کے ضیاع کو روکا جاسکے۔

کندھکوٹ

کندھکوٹ گیس فیلڈ میں پلانٹ کی پیداواری سرگرمیوں اور تجدید و بحالی کا کام شروع کیا گیا جس میں پائپ لائنوں (گیس جمع کرنے والی لائنوں اور فیڈر لائنز) کی درستی اور سالمیت کے جائزے کے لیے ایکسٹرنل (بیرونی) کوریون ڈائریکٹ اسسٹمنٹ (ECDA) اور ڈائریکٹ کرنٹ وولٹیج گرڈ پیسٹ (DCVG) سروے کے ساتھ ساتھ کنڈنسیٹ کو جمع کرنے کے ٹینکس اور لفٹنگ کے آلات کا تیسرے فریق کے ذریعے معائنہ اور 30 سالہ پرانے پیلا ڈھورویل کی بحالی کے لئے جاری سرگرمیاں شامل ہیں۔

اس مدت کے دوران فیلڈ کی موجودہ پیداواری صلاحیت 200~ ایم ایم ایس سی ایف کے مقابلے میں گیس کی یومیہ اوسط فروخت 71 ایم ایم ایس سی ایف کے لگ بھگ رہی جو کہ صارف GENCO-II کی جانب سے گیس کی نمایاں طور پر کم خرید کی بناء پر ہے۔

گمبٹ ساؤتھ اہالہ ازمز رانی

ظافر-GPF (III-GPF) کی بحالی کے سلسلے میں، کمپنی قانونی رکاوٹوں کی وجہ سے اس منصوبے پر عمل درآمد کرنے سے قاصر ہے اور اس حوالے سے معاملات کو حل کرنے کی کوشش کر رہی ہے۔ اس دوران تعمیراتی ٹھیکے داروں کی پری کوالیفیکیشن مکمل کر لی گئی ہے۔

گمبٹ ساؤتھ کمپریشن منصوبے کے لیے انجینئرنگ کام مکمل کر لیا گیا ہے اور کمپریسرز (یومیہ 30 ایم ایم ایس سی ایف 2x) اور تھری فیز سپر یٹرز کے لیے خریداری کے آرڈرز جاری کر دیے گئے ہیں۔ پری کوالیفیکیشن تعمیراتی ٹھیکے داروں سے حاصل ہونے والی بولیوں کا جائزہ لیا جا رہا ہے۔

دریافتی کنوئیں بشر ST-1 X کو ہالا پلانٹ سے منسلک کرنے کے لیے 7 کلومیٹر فیڈر لائن کی تعمیر جاری ہے۔

حکومت پاکستان نے مزارانی ڈی اینڈ پی ایل کی چار سال کی مدت کے لیے یکم ستمبر 2021 سے تجدید کی ہے جب کہ فیلڈ سے مناسب قیمت پر گیس پیدا کرنے کے لیے حکومت پاکستان گیس کی فروخت کی قیمت پر نظر ثانی کرنے کے لیے غور کر رہی ہے۔

ڈھوک سلطان

ڈھوک سلطان آئل ہینڈلنگ فیسیلٹی منصوبے اور میال انٹیگریشن منصوبے کا مکمل ہو چکا ہے۔ پلانٹ کے آلات اور پیداوار سے قبل کی جانچ بھی مکمل کر لی گئی ہے۔

بولان مائننگ انٹرپرائز (BME)

بیراٹ-لیڈ-زئک (بی ایل زیڈ) منصوبے کے لیے مائننگ لیز 30 مربع کلومیٹر رقبے کے لیے دی گئی ہے۔ بلوچستان کی صوبائی حکومت کے ساتھ مل کر زمین کے حصول کا عمل شروع ہو چکا ہے۔ مائننگ لیز معاہدے پر 6 دسمبر 2021 کو دستخط کیے گئے تھے۔

نوکنڈی خام لوہے کے منصوبے کی بینکاری کے قابل فریبلٹی کو حتمی شکل دینے کے لیے ٹیکنیکل نوکنڈی میں سطحی خام لوہے کے حامل خطے میں ہورائزن اسٹینڈرڈ پر 2,000 میٹر کے لیے تصدیقی/جیوٹیکنل/دریافتی کھدائی کی سرگرمیاں مکمل ہو چکی ہیں، جب کہ گہرائی میں خام لوہے کے حامل خطے میں اضافی 6,000 میٹر کھدائی کے لیے بولیوں کے حصول کا عمل جاری ہے۔

پارٹنر آپریٹڈ اثاثے

کیہرہر بلاک میں پیداواری کنوئیں رزق-4 کی کھدائی کے لیے سائٹ کی تیاری مکمل کر لی گئی ہے۔ پیداواری کنوئیں ناشپا-11 (ناشپا بلاک) اور تونلج ویسٹ-2 (ٹل بلاک) کے لیے سائٹ کی تعمیر جاری ہے۔

ساون فیلڈ میں، گیس کے یومیہ 25 ایم ایم ایس سی ایف سے کم مسلسل بہاؤ کو یقینی بنانے کے لیے فرنٹ اینڈ کمپریسرز کو چھوٹے کمپریسرز، جن کی پروسیسنگ کی صلاحیت یومیہ تقریباً 25 ایم ایم ایس سی ایف تک ہے، اسے تبدیل کر دیا گیا ہے۔ مزید یہ کہ، سینگل پلانٹ آپریشن (SPO) کا آغاز کیا جا چکا ہے جہاں وسطی سندھ کی تمام فیلڈز کو ساون پلانٹ سے منسلک کر دیا گیا ہے، اس عمل کے نتیجے میں متعلقہ فیلڈ کی پیداواری معیار کو بڑھانے میں ساتھ ہی ان فیلڈز کے آپرٹنگ اخراجات میں بھی نمایاں بچت ہوئی ہے۔

کاروباری سماجی ذمہ داری

Covid-19 کی پابندیوں کے باوجود، کمپنی نے ملک بھر میں اپنے پیداواری اور دریافتی اثاثوں کے ارد گرد کے لوگوں کی زندگی کے معیار کو بہتر بنانے کے لیے کام جاری رکھا۔

اس ضمن میں، چار اسکولوں میں کلاس رومز کی تعمیر کے ساتھ ساتھ دو اسکولوں کی تعمیر بھی مکمل کی گئی۔ اس کے علاوہ، مختلف دیہاتوں میں 141 اسکولوں کی تعمیر کا کام جاری ہے۔

مزید برآں، پبلک ویلفیئر اسپتال، سوئی کے ذریعے کمپنی مقامی آبادی کی آبادی کو صحت کی دیکھ بھال کی خدمات فراہم کرتی رہی۔ اس کے علاوہ، کمپنی نے اپنے آپریشنل علاقوں کے ارد گرد کے دیہاتوں میں مقیم آبادیوں کو صحت کی سہولت کی فراہمی کے لئے موبائل میڈیکل ڈسپنسری اور پبلک ڈسپنسری کا آپریشن جاری رکھا اور اس عرصے کے دوران ڈیرہ بگٹی اور سوئی میں 2 مفت سرجیکل آئی کی میپس کا انعقاد کیا گیا۔

معیار، صحت، تحفظ و ماحول (QHSE)

رپورٹنگ کی مدت کے دوران ملک بھر میں Covid-19 کی نئی قسم 'Omicron' سامنے آئی۔ اس حوالے سے، قومی اور عالمی سطح پر بدلتے ہوئے منظر نامے سے نمٹنے کے لیے انتظامیہ کی توجہ اور کوششیں جاری ہیں۔ ابھرتے ہوئے حالات کا جائزہ لینے اور اس کے مطابق فیصلے کرنے کے لیے حادثات کی انتظامی ٹیم کے اجلاس باقاعدگی سے منعقد کیے گئے۔

اس کے علاوہ، دسمبر 2021 کے اختتام تک تقریباً 25 ملین محفوظ انسانی گھنٹے (بشمول کمپنی اور ٹھیکے دار) مکمل ہو گئے۔

صنعتی تعلقات

سی بی اے یونین کے ساتھ سال 2020-2021 کے لیے چارٹرڈ آف ڈیمانڈز (CoD) پر بات چیت جاری ہے۔ ہم آہنگی کی فضا اور خوش گوار صنعتی تعلقات کا ماحول کمپنی کے تمام شعبوں اور مقامات پر غالب ہے۔

اعتراف

Covid-19 کی وبا کے باعث اس کڑے وقت میں، کمپنی اچھی کارکردگی کا مظاہرہ کر رہی ہے اور رد و نما ہونے والے حالات سے نمٹنے کے لیے تیار ہے۔ یہ ہمارے ملازمین کی مستقل مزاجی اور مشکلات سے نبرد آزما ہونے کی غیر معمولی صلاحیتوں سے ممکن ہوا ہے، جس کے لئے وہ خراج تحسین کے مستحق ہیں۔ ہم حکومت پاکستان اور حصص یافتگان کی مسلسل حمایت کے لیے ان کے بھی شکر گزار ہیں، جن کے غیر متزلزل یقین اور اعتماد نے ہمیں اپنی حکمت عملی کے مقاصد کے حصول کی راہ پر گامزن رہنے کے قابل بنایا ہے۔

Moin Raza Khan.

ٹیچنگ ڈائریکٹر / چیف ایگزیکٹو آفیسر



ڈائریکٹر

کراچی: 25 فروری، 2022



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakistan Petroleum Limited

Report on review of Condensed Unconsolidated Interim Financial Statements

Introduction

We have reviewed the accompanying condensed unconsolidated interim statement of financial position of Pakistan Petroleum Limited ("the Company") as at December 31, 2021 and the related condensed unconsolidated interim statement of profit or loss, condensed unconsolidated interim statement of other comprehensive income, condensed unconsolidated interim statement of changes in equity, and condensed unconsolidated interim statement of cash flows, and notes to the condensed unconsolidated interim financial statements for the half year then ended (here-in-after referred to as the "condensed unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of this condensed unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed unconsolidated interim financial statements based on our review.

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 condensed unconsolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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



KPMG Taseer Hadi & Co.

Emphasis of Matter

We draw attention to note 7 to the condensed unconsolidated interim financial statements, which describes matter in detail relating to overdue trade debts on account of Inter-Corporate circular debt. Our conclusion is not modified in respect of this matter.

Other matter

The figures of the condensed unconsolidated interim financial statements for the quarter ended December 31, 2021 have not been reviewed and we do not express a conclusion thereon.

The engagement partner on the engagement resulting in this independent auditor's review report is Muhammad Nadeem.

Date: 25 February 2022

Karachi

UDIN: RR202110110Z5eiXmDud


KPMG Taseer Hadi & Co.
Chartered Accountants

PAKISTAN PETROLEUM LIMITED

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021**

	Note	December 31, 2021 Unaudited (Rupees in thousand)	June 30, 2021 Audited
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	143,427,347	146,583,654
Intangible assets		161,978	211,183
		<u>143,589,325</u>	<u>146,794,837</u>
Long-term investments	6	7,305,555	7,992,419
Long-term loans		68,881	53,159
Long-term deposits		7,676	7,676
		<u>150,971,437</u>	<u>154,848,091</u>
CURRENT ASSETS			
Stores and spares		4,937,305	4,568,484
Trade debts	7	319,542,956	282,284,931
Loans and advances		639,848	698,991
Trade deposits and short-term prepayments		747,394	258,088
Interest accrued		496,860	514,133
Current maturity of long-term loans		28,542	22,714
Current maturity of long-term deposits		1,264,500	1,205,357
Current maturity of long-term receivables		122,051	138,560
Other receivables		3,693,701	3,089,298
Short-term investments	8	92,480,565	85,012,018
Cash and bank balances		2,756,056	4,242,627
		<u>426,709,778</u>	<u>382,035,201</u>
TOTAL ASSETS		<u>577,681,215</u>	<u>536,883,292</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		27,209,836	27,209,836
Reserves		389,797,397	363,317,888
		<u>417,007,233</u>	<u>390,527,724</u>
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		31,338,768	26,928,206
Deferred liabilities		3,156,284	3,082,550
Deferred taxation - net		28,464,631	29,830,059
		<u>62,959,683</u>	<u>59,840,815</u>
CURRENT LIABILITIES			
Trade and other payables	9	70,291,887	65,962,634
Unclaimed dividends		815,855	521,910
Current maturity of lease liabilities		-	433
Taxation - net		26,606,557	20,029,776
		<u>97,714,299</u>	<u>86,514,753</u>
TOTAL LIABILITIES		<u>160,673,982</u>	<u>146,355,568</u>
TOTAL EQUITY AND LIABILITIES		<u>577,681,215</u>	<u>536,883,292</u>
CONTINGENCIES AND COMMITMENTS	10		

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

Kapoor



Chief Financial Officer



Director



Chief Executive Officer

PAKISTAN PETROLEUM LIMITED

**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

	Note	Quarter ended December 31, 2021	Quarter ended December 31, 2020	Half year ended December 31, 2021	Half year ended December 31, 2020
----- (Rupees in thousand) -----					
Revenue from contracts with customers	11	46,374,109	36,312,886	89,527,719	75,539,067
Operating expenses	12	(9,318,200)	(12,635,769)	(19,483,947)	(21,972,469)
Royalties and other levies		(6,775,657)	(5,411,608)	(13,085,071)	(11,356,269)
		(16,093,857)	(18,047,377)	(32,569,018)	(33,328,738)
Gross profit		30,280,252	18,265,509	56,958,701	42,210,329
Exploration expenses	13	(3,677,036)	(873,481)	(8,395,750)	(3,146,557)
Administrative expenses		(1,047,906)	(991,154)	(1,918,738)	(1,766,690)
Finance costs		(300,850)	(288,676)	(585,028)	(580,849)
Reversal of provision for doubtful debts	7.4	-	-	41,929	-
Share of loss of associate	6.1	(2,374,341)	-	(2,374,350)	-
Other charges	14	(3,538,017)	(1,754,409)	(5,648,395)	(3,885,974)
		19,342,102	14,357,789	38,078,369	32,830,259
Other income	15	2,736,169	1,111,304	7,271,995	1,858,872
Profit before taxation		22,078,271	15,469,093	45,350,364	34,689,131
Taxation	16	(7,359,548)	(3,583,107)	(13,641,128)	(8,451,706)
Profit after taxation		14,718,723	11,885,986	31,709,236	26,237,425
Basic and diluted earnings per share (Rs)	19	5.41	4.37	11.65	9.64

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

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Handwritten signature of Chief Financial Officer

Chief Financial Officer

Handwritten signature of Director

Director

Handwritten signature of Chief Executive Officer

Chief Executive Officer

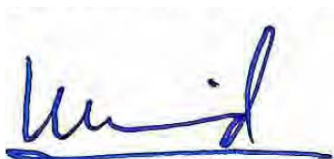
PAKISTAN PETROLEUM LIMITED

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Quarter ended December 31, 2021	Quarter ended December 31, 2020	Half year ended December 31, 2021	Half year ended December 31, 2020
	(Rupees in thousand)			
Profit after taxation	14,718,723	11,885,986	31,709,236	26,237,425
Other comprehensive income:				
Items that will not be subsequently reclassified to profit or loss:				
Remeasurement gains on defined benefit plans - net	-	-	-	-
Items that may be reclassified to profit or loss:				
Exchange differences on translation of foreign associate	212,235	-	212,235	-
	212,235	-	212,235	-
Total comprehensive income for the period	<u>14,930,958</u>	<u>11,885,986</u>	<u>31,921,471</u>	<u>26,237,425</u>

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

Wahid



Chief Financial Officer



Director



Chief Executive Officer

PAKISTAN PETROLEUM LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half year ended December 31, 2021	Half year ended December 31, 2020
Note		
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	70,968,009	83,915,194
Receipts of other income	814,190	744,193
Payment to suppliers / service providers and employees - net	(18,655,743)	(20,357,527)
Payment of indirect taxes and Government levies including royalties	(28,673,175)	(29,064,910)
Income tax paid	(8,429,779)	(7,090,586)
Decommissioning cost paid	(128,189)	-
Finance costs paid	(1,201)	(1,884)
Long-term loans - net	(21,550)	(18,602)
Net cash generated from operating activities	15,872,562	28,125,878
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(8,652,388)	(6,267,588)
Proceeds from sale of property, plant and equipment	21,056	22,770
Investments - net	(5,446,647)	(5,460,496)
Investment in PIOL	(4,161,250)	-
Long-term deposits	(59,143)	(72,750)
Long-term receivables	16,509	41,904
Finance income received	2,158,116	1,764,960
Net cash used in investing activities	(16,123,747)	(9,971,200)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(433)	(11,972)
Dividends paid	(5,148,017)	(2,714,830)
Net cash used in financing activities	(5,148,450)	(2,726,802)
Net (decrease) / increase in cash and cash equivalents	(5,399,635)	15,427,876
Cash and cash equivalents at beginning of the period	69,909,652	21,693,690
Cash and cash equivalents at end of the period	64,510,017	37,121,566

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

Wahid



Chief Financial Officer



Director



Chief Executive Officer

PAKISTAN PETROLEUM LIMITED
CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves	Total
	Ordinary	Convertible preference			
(Rupees in thousand) -----					
Balance as at July 01, 2020	27,209,718	118	1,428	317,386,655	344,597,919
Comprehensive income for the period					
Profit after taxation	-	-	-	26,237,425	26,237,425
Other comprehensive income for the half year ended December 31, 2020, net of tax	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2020	-	-	-	26,237,425	26,237,425
Transactions with owners:					
- Ordinary shareholders					
Final dividend for the year ended June 30, 2020 @ 10%	-	-	-	(2,720,972)	(2,720,972)
- Convertible preference shareholders					
Final dividend for the year ended June 30, 2020 @ 10%	-	-	-	(12)	(12)
Conversion of preference shares into ordinary shares	5	(5)	-	-	-
Balance as at December 31, 2020	27,209,723	113	1,428	340,903,096	368,114,360
Balance as at July 01, 2021	27,209,723	113	1,428	363,316,460	390,527,724
Comprehensive income for the period					
Profit after taxation	-	-	-	31,709,236	31,709,236
Other comprehensive income for the half year ended December 31, 2021, net of tax	-	-	-	212,235	212,235
Total comprehensive income for the half year ended December 31, 2021	-	-	-	31,921,471	31,921,471
Transactions with owners:					
- Ordinary shareholders					
Final dividend for the year ended June 30, 2021 @ 20%	-	-	-	(5,441,946)	(5,441,946)
- Convertible preference shareholders					
Final dividend for the year ended June 30, 2021 @ 15%	-	-	-	(16)	(16)
Conversion of preference shares into ordinary shares	7	(7)	-	-	-
Balance as at December 31, 2021	27,209,730	106	1,428	389,795,969	417,007,233

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

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Handwritten signature of Chief Financial Officer

Chief Financial Officer

Handwritten signature of Director

Director

Handwritten signature of Chief Executive Officer

Chief Executive Officer

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

For the half year ended December 31, 2021

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 condensed unconsolidated interim financial statements are the separate condensed interim financial statements of the Company, in which investments in the below mentioned subsidiaries have been accounted for at cost less accumulated impairment losses, if any. The condensed consolidated interim financial statements are presented separately.

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

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

2. BASIS OF PREPARATION

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

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

These condensed unconsolidated interim financial statements do not include all the information and disclosures required in the annual unconsolidated financial statements as at and for the year ended June 30, 2021 and should be read in conjunction with the unconsolidated financial statements of the Company as at and for the year ended June 30, 2021.

The figures of the condensed unconsolidated interim statement of profit or loss and condensed unconsolidated interim statement of other comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2021 and comparative period.

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

- 2.2 The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. The SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, has granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022. Consequently, the Company has not recorded impact of aforesaid ECL in respect of financial assets due directly / ultimately from the GoP in consequence of circular debt, in these condensed unconsolidated interim financial statements based on the clarification received from SECP. Further, in relation to financial assets due from parties other than GoP, the management believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in note 7 to these condensed unconsolidated interim financial statements).

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

For the half year ended December 31, 2021

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements as at and for the year ended June 30, 2021, except for the following accounting policy adopted during the period;

3.1 Investment in Associated Company

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of the associate have been incorporated in these condensed unconsolidated interim financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the associate in profit or loss and the Company's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment. Losses of an associate in excess of Company's interest in that associate are recognised only to the extent that the Company has incurred legal or constructive obligation or made payment on behalf of the associate. The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 3.8 to the unconsolidated financial statements for the year ended June 30, 2021.

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

3.3 New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards as well as interpretations that are mandatory for accounting periods beginning July 01, 2021 but are considered not relevant or do not have any significant effect on the Company's financial position and are therefore not stated in these condensed unconsolidated interim financial statements.

3.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2022 and are not likely to have an effect on these condensed unconsolidated interim financial statements:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).

The following annual improvements to IFRS 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022 and are not likely to have an effect on these condensed unconsolidated interim financial statements:

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender;
- IFRS 16 – The objective of the amendment is to resolve any potential confusion that might arise in lease incentives;
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique;
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures;

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

For the half year ended December 31, 2021

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) and;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

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

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

Estimates, assumptions and judgments made by the management in the preparation of these condensed unconsolidated interim financial statements are the same as those applied in the preparation of the annual unconsolidated financial statements as at and for the year ended June 30, 2021.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual unconsolidated financial statements as at and for the year ended June 30, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2021 Unaudited	June 30, 2021 Audited
	(Rupees in thousand)	
Opening Net Book Value (NBV)	92,959,042	94,548,120
Additions to owned assets - net	5,874,110	18,395,430
	98,833,152	112,943,550
Disposals during the period / year (NBV)	(841)	(6,634)
Adjustments / reclassifications during the period / year (NBV)	-	(2,305,524)
Depreciation / amortisation charged during the period / year	(8,091,536)	(17,672,350)
	90,740,775	92,959,042
Capital work-in-progress - note 5.1	52,686,572	53,624,612
	143,427,347	146,583,654

5.1 Capital work-in-progress

Plant, machinery, fittings and pipelines	10,430,046	8,711,906
Exploration and evaluation (E&E) assets - note 5.1.1	25,411,691	24,245,767
Development and production (D&P) assets	2,588,341	5,014,297
Lands, buildings and civil constructions	99,922	76,955
Capital stores for drilling and development	15,277,794	15,575,687
Less: written-off - note 5.1.2	(1,121,222)	-
	14,156,572	15,575,687
	52,686,572	53,624,612

143,427,347

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

For the half year ended December 31, 2021

- 5.1.1 Amounts under E&E assets are net of cost of dry / abandoned wells charged to profit or loss during the period / year, amounting to Rs 6,540 million (June 30, 2021: Rs 6,224 million).
- 5.1.2 This represents inventory items identified as unusable / scrap written-off during the period.

December 31,
2021
Unaudited
(Rupees in thousand)

June 30,
2021
Audited

6. LONG-TERM INVESTMENTS

Investments in related parties

- Wholly owned subsidiaries

- PPPFTC	1	1
- PPLE (net of impairment)	3,798,094	3,798,094
- PPLA (net of impairment)	-	-
	<u>3,798,095</u>	<u>3,798,095</u>

- Associate

Unquoted company

- Pakistan International Oil Limited (PIOL) - note 6.1

Equity held: 25%

No. of shares: 2,500,000 of USD 10/- each

1,999,135

Other investments

- At amortised cost

- Foreign currency term deposits with banks - note 6.2	1,508,325	4,194,324
	<u>7,305,555</u>	<u>7,992,419</u>

- 6.1 During the period, a Company-led consortium has been awarded Offshore Block 5 in Abu Dhabi's second competitive exploration block bid round. Besides the Company, the consortium comprises three major Pakistani E&P companies i.e. Oil and Gas Development Company Limited (OGDCL), Mari Petroleum Company Limited (MPCL) and Government Holdings (Private) Limited (GHPL). Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north-east of the Emirate of Abu Dhabi. To this end, the consortium companies have established an independent company PIOL at Abu Dhabi Global Market with each consortium company having a 25% equity stake in PIOL. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021.

The investment represents USD 25 million (Rs 4,161.250 million) invested by the Company in PIOL, net of share of loss for the period amounting to Rs 2,374.350 million charged to profit or loss and exchange gain on translation of foreign associate amounting to Rs 212.235 million recorded through other comprehensive income to translation reserve. The loss for the period mainly pertains to exploration expenditure incurred by PIOL.

- 6.2 These represent term deposits with banks amounting to USD 8.500 million (June 30, 2021: USD 26.580 million) having effective interest rate of 1.25% to 2.50% (June 30, 2021: 2.10% to 2.25%) per annum. These investments are due to mature in January 2023.

Signature

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

For the half year ended December 31, 2021

December 31,
2021
Unaudited
(Rupees in thousand)

June 30,
2021
Audited

7. TRADE DEBTS

Unsecured and considered good

Related parties

Central Power Generation Company Limited (GENCO-II) - note 7.3	4,488,317	6,305,294
Sui Northern Gas Pipelines Limited (SNGPL)	170,493,658	151,192,899
Sui Southern Gas Company Limited (SSGCL)	126,186,227	110,081,165
Pak-Arab Refinery Limited (PARCO)	2,671,132	2,416,363
Pakistan Refinery Limited (PRL)	976,588	1,196,389
Oil & Gas Development Company Limited (OGDCL)	72,175	439,174
	304,888,097	271,631,284

Non-related parties

Attock Refinery Limited (ARL)	13,739,375	10,012,795
National Refinery Limited (NRL)	526,456	490,831
Others	389,028	150,021
	14,654,859	10,653,647
	319,542,956	282,284,931

Unsecured and considered doubtful

Non-related parties

Cnergyico Pk Limited (CNERGY)	253,002	253,002
formerly Byco Petroleum Pakistan Limited (Byco)		
EGAS Pvt. Ltd. (EGAS) - note 7.4	169,454	211,383
Less: Provision for doubtful debts	(422,456)	(464,385)
	-	-
	319,542,956	282,284,931

7.1 The ageing of trade debts is as follows:

Neither past due nor impaired **25,947,437** 25,825,446

Past due but not impaired:

Related parties

- within 90 days	33,411,547	22,251,049
- 91 to 180 days	23,099,739	24,270,381
- over 180 days	231,989,476	205,948,975
	288,500,762	252,470,405

Non-related parties

- within 90 days	3,967,787	2,240,066
- 91 to 180 days	149,154	3,030
- over 180 days	977,816	1,745,984
	5,094,757	3,989,080
	319,542,956	282,284,931

7.2 Trade debts include overdue amount of Rs 286,881 million (June 30, 2021: Rs 251,229 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 7,137 million (June 30, 2021: Rs 5,694 million) overdue receivable from refineries (i.e. ARL, CNERGY, PARCO, NRL and PRL) and other customers.

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

149,154

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

For the half year ended December 31, 2021

7.3 Trade debts do not include GDS and GIDC amounting to Rs 59,385 million (June 30, 2021: Rs 52,949 million) and Rs 6,199 million (June 30, 2021: Rs 7,399 million), respectively as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have been billed to GENCO-II but have not been received by the Company at the reporting date.

7.4 During the period, the Company has received an amount of Rs 75 million from EGAS. Accordingly, the provision for doubtful debts has been reversed to the extent of the Company's share of recovery amounting to Rs 41.929 million.

December 31, 2021 Unaudited	June 30, 2021 Audited
(Rupees in thousand)	

8. SHORT-TERM INVESTMENTS

At amortised cost

- Local currency term deposits with banks - note 8.1	29,167,500	32,142,500
- Foreign currency term deposits with banks - note 8.2	37,538,482	32,910,926
- Local currency treasury bills - note 8.3	7,491,816	2,349,399
	<u>74,197,798</u>	<u>67,402,825</u>

At fair value through profit or loss

- Mutual Funds	18,282,767	17,609,193
	<u>92,480,565</u>	<u>85,012,018</u>

8.1 These carry profit ranging from 7.25% to 13.75% (June 30, 2021: 7.65% to 8.00%) per annum and are due to mature latest by September 2022.

8.2 These represent foreign currency term deposits with banks amounting to USD 211.544 million (June 30, 2021: USD 208.561 million) having effective interest rate ranging from 0.90% to 3.50% (June 30, 2021: 0.35% to 2.01%) per annum and are due to mature latest by October 2022.

8.3 These carry profit ranging from 7.19% to 10.55% (June 30, 2021: 7.25% to 7.56%) per annum and are due to mature latest by February 2022. These bills were issued by GoP and sold through State Bank of Pakistan.

December 31, 2021 Unaudited	June 30, 2021 Audited
(Rupees in thousand)	

9. TRADE AND OTHER PAYABLES

Creditors	514,767	799,192
Accrued liabilities	8,208,633	7,305,903
Security deposits / advances from LPG distributors	691,939	224,614
Retention money	72,781	81,770
Sales tax - net	2,251,873	996,946
Royalties	7,268,340	8,474,861
Lease extension bonus	27,392,665	24,932,829
Current accounts with joint operations	8,507,936	11,191,581
Staff retirement benefit funds	139,402	1,310,903
Provision for windfall levy on oil / condensate	12,819,937	10,242,937
Federal excise duty - net	116,347	111,777
Workers' Profits Participation Fund (WPPF)	2,116,016	-
Others	191,251	289,321
	<u>70,291,887</u>	<u>65,962,634</u>

9.1 Trade and other payables do not include GDS and GIDC amounting to Rs 59,385 million (June 30, 2021: Rs 52,949 million) and Rs 6,199 million (June 30, 2021: Rs 7,399 million), respectively as the obligation of the Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have not been paid to the GoP due to non-payment of the same by GENCO-II at the reporting date.

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

For the half year ended December 31, 2021

10. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and in commitments as disclosed in the annual unconsolidated financial statements as at and for the year ended June 30, 2021, except for the following:

- 10.1** Total commitments for capital expenditure (net share) as at December 31, 2021 are Rs 1,458 million (June 30, 2021: Rs 793 million). Further, total amount outstanding under letters of credit (net share) as at December 31, 2021 is Rs 1,293 million (June 30, 2021: Rs 870 million).
- 10.2** With respect to PIOL (note 6.1), the Company has entered into a Shareholders' Agreement with the consortium partners, under which the Company has committed to invest up to USD 100 million (Rs 17,795 million) in PIOL during the next five years, out of which USD 25 million have been invested till December 31, 2021. Further, the Company has provided parent company guarantee as mentioned in note 18.5 to these condensed unconsolidated interim financial statements.
- 10.3** During the period, the Tax Authorities have issued a notice showing their intention to recover the alleged outstanding amount of Late Payment Surcharge (LPS) amounting to Rs 3,073 million on account of Gas Development Surcharge (GDS) relating to various years. The said notice was issued in terms of powers granted to the Federal Board of Revenue (FBR) under section 40E of the Public Finance Management Act, 2019 for recovering non-tax revenue from any taxpayer on the instructions of the concerned Ministry. Based on the advice from the legal counsel, the Company filed a Constitutional Petition challenging the impugned notice before the Honourable Sindh High Court (SHC). The Honourable SHC vide an interim order directed the Tax Authorities not to initiate recovery proceedings subject to the condition that 50% amount is deposited by the Company. Accordingly, the Company deposited a pay order worth Rs 1,536 million. Further, on December 31, 2021, the Company submitted a bank guarantee for the same amount and accordingly the pay order was released by the Court subsequent to the period end. The amount of the pay order of Rs 1,536 million is included in Other receivables.

Half year ended December 31, 2021	Half year ended December 31, 2020
(Rupees in thousand)	

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

Gross revenue

Natural gas	64,101,315	65,305,107
Gas supplied to Sui villages	426,244	397,181
Internal consumption of gas	218,477	197,597
Crude oil / Condensate / Natural Gas Liquids	33,479,048	17,701,182
LPG	8,309,090	4,579,855
Barytes	474,094	211,307
	107,008,268	88,392,229

Government levies / discounts

Federal excise duty	(782,481)	(877,548)
Sales tax	(16,408,611)	(11,700,443)
Petroleum Levy	(269,606)	(264,587)
Discounts (Barytes)	(19,851)	(10,584)
	(17,480,549)	(12,853,162)
	89,527,719	75,539,067

MDUMTS

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

For the half year ended December 31, 2021

Half year ended
December 31,
2021

Half year ended
December 31,
2020

(Rupees in thousand)

12. OPERATING EXPENSES

Salaries, wages, welfare and other benefits	5,024,950	5,164,360
Operators' personnel	1,329,095	1,288,948
Depreciation	3,020,309	4,118,301
Amortisation of decommissioning assets	829,282	707,084
Amortisation of D&P assets	4,156,686	5,467,921
Plant operations	1,691,712	1,729,079
Well interventions	590,612	488,343
Field services	1,209,751	1,120,503
Crude oil transportation	394,866	433,787
Travelling and conveyance	281,204	277,317
Training & development	20,408	42,624
PCA overheads	80,911	116,795
Insurance expenses	309,273	326,481
Free supply of gas to Sui villages	426,244	397,181
Social welfare / community development	118,644	293,745
	<u>19,483,947</u>	<u>21,972,469</u>

13. EXPLORATION EXPENSES

- 13.1 Exploration expenses for the period also include cost of dry / abandoned wells amounting to Rs 6,540 million (December 2020: Rs 1,642 million).

Half year ended
December 31,
2021

Half year ended
December 31,
2020

(Rupees in thousand)

14. OTHER CHARGES

WPPF charge	2,116,016	1,814,578
Exchange loss on foreign currency - net	-	1,395,396
Provision for Windfall levy on oil / condensate	2,577,000	676,000
Capital stores for drilling & development written off - note 5.1.2	1,121,222	-
Reversal of provision for obsolete / slow moving stores & spares	(171,176)	-
Others	5,333	-
	<u>5,648,395</u>	<u>3,885,974</u>

15. OTHER INCOME

Income from financial assets

Income on loans and bank deposits	215,501	241,077
Income on local currency term deposits	436,163	250,171
Income on foreign currency term deposits	367,949	570,337
Income from investment in treasury bills	1,121,229	276,808
Dividend income / gain on re-measurement of investments designated at fair value through profit or loss (net)	764,947	380,091
	<u>2,905,789</u>	<u>1,718,484</u>

Income from assets other than financial assets

Rental income on assets	2,412	3,317
Profit on sale of property, plant and equipment (net)	20,215	19,413
Exchange gain on foreign currency - net	4,343,069	-
Insurance claims	510	83,547
Others	-	34,111
	<u>4,366,206</u>	<u>140,388</u>
	<u>7,271,995</u>	<u>1,858,872</u>

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

For the half year ended December 31, 2021

	Half year ended December 31, 2021	Half year ended December 31, 2020
	(Rupees in thousand)	
16. TAXATION		
Current		
- For the half year	14,396,233	12,561,117
- For the prior year	610,327	(1,028,800)
	15,006,560	11,532,317
Deferred	(1,365,432)	(3,080,611)
	13,641,128	8,451,706
17. CASH AND CASH EQUIVALENTS		
Short-term highly liquid investments - note 17.1	61,753,961	31,616,158
Cash and bank balances	2,756,056	5,505,408
	64,510,017	37,121,566
17.1	Short-term investments as disclosed in note 8 amount to Rs 92,481 million (December 2020: Rs 71,954 million). However, mutual funds amounting to Rs 18,283 million (December 2020: Rs 15,825 million), foreign currency term deposits with banks having maturity of over 90 days amounting to Rs 12,419 million (December 2020: Rs 24,513 million) and local currency term deposits with banks having maturity over 90 days amounting to Rs 25 million (December 2020: Nil) are not considered as cash and cash equivalents in accordance with the requirements of IAS-7 "Statement of Cash Flows".	
18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES		
The related parties are comprised of state controlled entities, subsidiary companies, associated companies, joint operations, companies where directors also hold directorship, key management personnel and other related parties. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed unconsolidated interim financial statements are as follows:		
	Half year ended December 31, 2021	Half year ended December 31, 2020
	(Rupees in thousand)	
Sales of gas / oil / barytes to state controlled entities (including Government Levies)		
GENCO-II	4,429,618	6,703,374
SSGCL	25,893,640	23,057,115
SNGPL	33,778,057	35,544,618
OGDCL	68,680	1,076,959
	64,169,995	66,382,066
Long-term receivables, trade debts and other receivables from State controlled entities as at December 31	301,404,426	263,124,740
Transactions and balances with subsidiaries		
Receivable from PPLA as at December 31	289,177	140,362
Interest paid on loan from PPLE	60	-
Payment of employees cost on secondment - PPLA	46,548	41,103
Deposit for bank guarantee on behalf of PPLE - Block 29, Yemen	1,264,500	1,248,000

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

For the half year ended December 31, 2021

	Half year ended December 31, 2021 (Rupees in thousand)	Half year ended December 31, 2020
Transactions and balances with Associated Companies		
Sales of crude oil / condensate to PARCO	6,361,604	2,709,317
Sales of crude oil / condensate to PRL	1,182,441	828,895
Payment to Total PARCO Pakistan Limited	31,977	2,945
Membership / sponsorship fee paid to Petroleum Institute of Pakistan	3,288	975
Purchase of medicines from Sanofi-Aventis Pakistan Limited	2,953	-
Annual supervision fee paid to Audit Oversight Board	500	-
Equity investment in PIOL	4,161,250	-
Receivable from PIOL as at December 31	32,261	-
Service fee (G&A overheads) charged to PIOL	13,077	-
Payment of employees cost on secondment to PIOL	51,320	-
Deposits with Askari Bank Limited (AKBL) as at December 31	-	4,244
Letters of credit placed with AKBL as at December 31	-	203,451
Transactions with Joint Operations		
Payments of cash calls to joint operations	17,953,942	15,483,032
Expenditures incurred by the joint operations	15,196,825	10,512,150
Under advance balances relating to joint	7,925,010	10,712,642
Current account receivables relating to joint	1,368,177	2,104,675
Current account payables relating to joint	98,551	266,594
Income from rental of assets to joint operations	2,412	3,317
Purchase of goods from BME (net)	92,756	23,483
Reimbursement of employee cost on secondment to BME	11,268	13,424
Dividend income from BME	250,000	-
Other related parties		
Dividend to GoP	3,673,727	1,836,864
Dividend to trust under BESOS	400,115	200,057
Dividend to trusts under retirement benefit funds	3,029	1,515
Transactions with retirement benefit funds	608,936	549,416
Remuneration to key management personnel	1,732,866	1,671,474
Payment to PPL Welfare Trust for CSR activities	21,000	20,000
Payment of rental to Pakistan Industrial Development Corporation	91,991	71,767
Payment of rental to Karachi Port Trust	4,801	5,379
Payment of insurance premium to National Insurance Company Limited (NICL)	840,467	424,568
Insurance claim received from NICL	510	83,547
Fuel purchased from Pakistan State Oil Company Limited	275,382	28,764
Payment for chartered flights to Pakistan International Airlines Corporation Limited	56,963	37,099
Deposits with National Bank of Pakistan as at December 31	48,682	75,498
Stores and spares on loan to OGDCL	-	3,065
18.1	Aggregate amount charged in these condensed unconsolidated interim financial statements in respect of fees paid to nine non-executive directors was Rs 17.50 million (December 2020: Rs 10.625 million to seven non-executive directors).	
18.2	The Company has guaranteed to the Midland Oil Company Iraq, the performance and fulfilment of obligations by PPLA under the Exploration, Development and Production Service Contract. Total financial commitment of PPLA is USD 100 million (Rs 17,795 million) {December 2020: USD 100 million (Rs 16,080 million)}, out of which USD 29.760 million (Rs 5,296 million) {December 2020: USD 32.129 million (Rs 5,166 million)} is outstanding.	
18.3	The Company has provided parent company guarantee amounting to USD 5.3 million (Rs 943 million) {December 2020: USD 5.3 million (Rs 852 million)} to GoP in respect of PPLE's exploration licences in Pakistan i.e. Barkhan, Harnai and Ziarat.	

KPMG

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

For the half year ended December 31, 2021

- 18.4** During the period, an inter-company loan of USD 100,000 was obtained by the Company from PPLE on July 12, 2021 which carried interest at the rate of 3% per annum. The loan was fully repaid by the Company to PPLE on August 24, 2021 along with interest.
- 18.5** The Company has provided a parent company guarantee (corporate guarantee) on a joint and several basis to ADNOC and Supreme Council For Financial and Economic Affairs, Abu Dhabi, UAE to guarantee all the obligations of PIOL under the concession documents.
- 18.6** The Company has a receivable of Rs 30.27 million from OGDCL, MPCL and GHPL (Rs 10.15 million, Rs 8.06 million and Rs 12.06 million receivable, respectively) with respect to the payments made by the Company on their behalf for expenses related to PIOL.

	Half year ended December 31, 2021	Half year ended December 31, 2020
19. EARNINGS PER SHARE		
19.1 Basic earnings per share		
Profit after taxation (Rs '000)	31,709,236	26,237,425
Dividend on convertible preference shares (Rs '000)	(32)	(34)
Profit attributable to ordinary shareholders (Rs '000)	<u>31,709,204</u>	<u>26,237,391</u>
Weighted average number of ordinary shares in issue	<u>2,720,972,657</u>	<u>2,720,972,109</u>
Basic earnings per share (Rs)	<u>11.65</u>	<u>9.64</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.

	Half year ended December 31, 2021	Half year ended December 31, 2020
19.2 Diluted earnings per share		
Profit after taxation (Rs '000)	<u>31,709,236</u>	<u>26,237,425</u>
Weighted average number of ordinary shares in issue	<u>2,720,972,657</u>	<u>2,720,972,109</u>
Adjustment for convertible preference shares	<u>10,871</u>	<u>11,419</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>2,720,983,528</u>	<u>2,720,983,528</u>
Diluted earnings per share (Rs)	<u>11.65</u>	<u>9.64</u>

20. SUBSEQUENT / NON-ADJUSTING EVENTS

- 20.1** Subsequent to the period end, the detailed judgment of the Honourable Supreme Court of Pakistan (SCP) has been issued in relation to the Benazir Employees' Stock Option Scheme (BESOS). The Honourable SCP has held that the BESOS was established without any policy input of the Council of Common Interests. Therefore, it fell beyond the ambit of authority of the Federal Cabinet and contravened Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973. Accordingly, the Honourable SCP upheld the judgment dated January 03, 2018 passed by the Honourable Sindh High Court, as fully explained in note 2.5 to the annual unconsolidated financial statements for the year ended June 30, 2021. The Company is taking all necessary corporate actions to repatriate the funds and transfer of shares back to the Federal Government.

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

For the half year ended December 31, 2021

- 20.2** The Board of Directors in its meeting held on February 25, 2022 has approved interim cash dividend @ 15% amounting to Rs 4,081.459 million (December 2020: @ 15% amounting to Rs 4,081.458 million) and Rs 0.016 million (December 2020: @ 15% amounting to Rs 0.017 million) on the paid up value of ordinary share capital and convertible preference share capital, respectively.

21. DATE OF AUTHORISATION FOR ISSUE

These condensed unconsolidated interim financial statements were authorised for issue on February 25, 2022 by the Board of Directors of the Company.

K. M. R.



Chief Financial Officer



Director



Chief Executive Officer



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pakistan Petroleum Limited

Report on review of Condensed Consolidated Interim Financial Statements

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Pakistan Petroleum Limited ("the Company") as at December 31, 2021 and the related condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of other comprehensive income, condensed consolidated interim statement of changes in equity, and condensed consolidated interim statement of cash flows, and notes to the condensed consolidated interim financial statements for the half year then ended (here-in-after referred to as the "condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

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 condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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



KPMG Taseer Hadi & Co.

Emphasis of Matter

We draw attention to note 7 to the condensed consolidated interim financial statements, which describes matter in detail relating to overdue trade debts on account of Inter-Corporate circular debt. Our conclusion is not modified in respect of this matter.

Other matter

The figures of the condensed consolidated interim financial statements for the quarter ended December 31, 2021 have not been reviewed and we do not express a conclusion thereon.

The engagement partner on the engagement resulting in this independent auditor's review report is Muhammad Nadeem.

Date: 25 February 2022

Karachi

UDIN: RR202110110Use1XxS7a


KPMG Taseer Hadi & Co.
Chartered Accountants

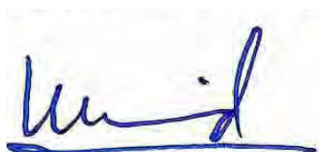
PAKISTAN PETROLEUM LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	Note	December 31 2021 Unaudited (Rupees in thousand)	June 30 2021 Audited
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	5	144,135,539	147,402,803
Intangible assets		161,978	211,183
		<u>144,297,517</u>	<u>147,613,986</u>
Long-term investments	6	3,507,461	4,194,325
Long-term loans		68,881	53,159
Long-term deposits		7,676	7,676
		<u>147,881,535</u>	<u>151,869,146</u>
CURRENT ASSETS			
Stores and spares		4,937,305	4,568,484
Trade debts	7	320,216,533	282,671,085
Loans and advances		645,168	698,991
Trade deposits and short-term prepayments		750,590	261,039
Interest accrued		504,984	516,344
Current maturity of long-term loans		28,542	22,714
Current maturity of long-term deposits		1,264,500	1,205,357
Current maturity of long-term receivables		122,051	138,560
Other receivables		3,985,843	3,408,631
Short-term investments	8	95,160,060	87,395,982
Cash and bank balances		3,211,198	4,751,445
		<u>430,826,774</u>	<u>385,638,632</u>
TOTAL ASSETS		<u>578,708,309</u>	<u>537,507,778</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		27,209,836	27,209,836
Reserves		387,907,321	361,721,989
		<u>415,117,157</u>	<u>388,931,825</u>
NON-CURRENT LIABILITIES			
Provision for decommissioning obligation		31,754,913	27,318,257
Deferred liabilities		3,156,284	3,082,550
Deferred taxation - net		28,464,631	29,830,059
		<u>63,375,828</u>	<u>60,230,866</u>
CURRENT LIABILITIES			
Trade and other payables	9	72,168,076	67,212,162
Unclaimed dividends		815,855	521,910
Current maturity of lease liabilities		-	433
Taxation - net		27,231,393	20,610,582
		<u>100,215,324</u>	<u>88,345,087</u>
TOTAL LIABILITIES		<u>163,591,152</u>	<u>148,575,953</u>
TOTAL EQUITY AND LIABILITIES		<u>578,708,309</u>	<u>537,507,778</u>
CONTINGENCIES AND COMMITMENTS	10		

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

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CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		Quarter ended December 31, 2021	Quarter ended December 31, 2020	Half year ended December 31, 2021	Half year ended December 31, 2020
	Note	(Rupees in thousand)			
Revenue from contracts with customers	11	46,822,770	36,493,774	90,419,003	75,811,789
Operating expenses	12	(9,533,036)	(12,783,487)	(19,964,924)	(22,188,119)
Royalties and other levies		(6,941,747)	(5,441,094)	(13,378,998)	(11,395,129)
		(16,474,783)	(18,224,581)	(33,343,922)	(33,583,248)
Gross Profit		30,347,987	18,269,193	57,075,081	42,228,541
Exploration expenses	13	(4,184,504)	(972,819)	(9,041,617)	(3,269,892)
Administrative expenses		(1,062,003)	(1,001,824)	(1,943,515)	(1,788,043)
Finance costs		(311,999)	(299,148)	(608,039)	(603,338)
Reversal of provision for doubtful debts	7.4	-	-	41,929	-
Share of loss in associate	6.1	(2,374,341)	-	(2,374,350)	-
Other charges	14	(3,536,305)	(1,754,366)	(5,648,395)	(3,891,212)
		18,878,835	14,241,036	37,501,094	32,676,056
Other income	15	2,734,988	1,117,760	7,278,895	1,876,288
Profit before taxation		21,613,823	15,358,796	44,779,989	34,552,344
Taxation	16	(7,334,724)	(3,578,331)	(13,641,128)	(8,446,930)
Profit after taxation		14,279,099	11,780,465	31,138,861	26,105,414
Basic and diluted earnings per share (Rs)	19	5.25	4.33	11.44	9.59

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

Wahid



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Quarter ended December 31, 2021	Quarter ended December 31, 2020	Half year ended December 31, 2021	Half year ended December 31, 2020
	(Rupees in thousand)			
Profit after taxation	14,279,099	11,780,465	31,138,861	26,105,414
Other comprehensive income / (loss):				
Items that will not be subsequently reclassified to profit or loss				
Remeasurement gains on defined benefit plans - net	-	-	-	-
Items that may be reclassified to consolidated statement of profit or loss				
Foreign exchange differences on translation of subsidiaries	94,629	(58,024)	276,198	(118,740)
Exchange differences on translation of foreign associate	212,235	-	212,235	-
	306,864	(58,024)	488,433	(118,740)
Total comprehensive income for the period	<u>14,585,963</u>	<u>11,722,441</u>	<u>31,627,294</u>	<u>25,986,674</u>

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

1/12/2021



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021**

	Half year ended December 31, 2021 (Rupees in thousand)	Half year ended December 31, 2020
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	71,730,653	84,282,760
Receipts of other income	815,624	744,193
Payment to suppliers / service providers and employees - net	(19,014,283)	(20,879,112)
Payment of indirect taxes and Government levies including royalties	(29,018,806)	(29,124,552)
Income tax paid	(8,455,708)	(7,108,865)
Decommissioning cost paid	(128,189)	-
Finance costs paid	(1,201)	(1,884)
Long-term loans - net	(21,550)	(18,602)
Net cash generated from operating activities	15,906,540	27,893,938
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(8,809,493)	(6,539,422)
Proceeds from sale of property, plant and equipment	21,056	22,770
Investments - net	(6,108,204)	(5,460,496)
Investment in PIOL	(4,161,250)	-
Long-term deposits	(59,143)	(72,750)
Long-term receivables	16,509	41,904
Finance income received	2,168,009	1,796,211
Net cash used in investing activities	(16,932,516)	(10,211,783)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(433)	(11,972)
Dividends paid	(5,148,017)	(2,714,830)
Net cash used in financing activities	(5,148,450)	(2,726,802)
Net (decrease) / increase in cash and cash equivalents	(6,174,426)	14,955,353
Cash and cash equivalents at beginning of the period	72,802,434	25,196,176
Net foreign exchange differences	324,592	(149,825)
Cash and cash equivalents at end of the period	17 66,952,600	40,001,704

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

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CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves	Total
	Ordinary	Convertible preference			
(Rupees in thousand)					
Balance as at July 01, 2020	27,209,718	118	1,428	316,096,759	343,308,023
Comprehensive income for the period					
Profit after taxation	-	-	-	26,105,414	26,105,414
Other comprehensive loss for the half year ended December 31, 2020, net of tax	-	-	-	(118,740)	(118,740)
Total comprehensive income for the half year ended December 31, 2020	-	-	-	25,986,674	25,986,674
Transactions with owners:					
- Ordinary shareholders					
Final dividend for the year ended June 30, 2020 @ 10%	-	-	-	(2,720,972)	(2,720,972)
- Convertible preference shareholders					
Final dividend for the year ended June 30, 2020 @ 10%	-	-	-	(12)	(12)
Conversion of preference shares into ordinary shares	5	(5)	-	-	-
Balance as at December 31, 2020	27,209,723	113	1,428	339,362,449	366,573,713
Balance as at July 01, 2021	27,209,723	113	1,428	361,720,561	388,931,825
Comprehensive income for the period					
Profit after taxation	-	-	-	31,138,861	31,138,861
Other comprehensive income for the half year ended December 31, 2021, net of tax	-	-	-	488,433	488,433
Total comprehensive income for the half year ended December 31, 2021	-	-	-	31,627,294	31,627,294
Transactions with owners:					
- Ordinary shareholders					
Final dividend for the year ended June 30, 2021 @ 20%	-	-	-	(5,441,946)	(5,441,946)
- Convertible preference shareholders					
Final dividend for the year ended June 30, 2021 @ 15%	-	-	-	(16)	(16)
Conversion of preference shares into ordinary shares	7	(7)	-	-	-
Balance as at December 31, 2021	27,209,730	106	1,428	387,905,893	415,117,157

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

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Waleed

CHIEF FINANCIAL OFFICER

Waleed

DIRECTOR

Waleed

CHIEF EXECUTIVE OFFICER

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the half year ended December 31, 2021

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 two producing fields and three exploration blocks in Pakistan, as well as one exploration block in Yemen. The registered office of PPLE is situated at 6th Floor, One London Wall, London, United Kingdom.

1.3 PPL Asia E&P B.V.

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

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

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

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

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2. BASIS OF PREPARATION

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

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

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

The figures of the condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of other comprehensive income for the quarters ended December 31, 2021 and December 31, 2020 and notes forming part thereof have not been reviewed by the auditors of the Holding Company, as they have reviewed the cumulative figures for the half year ended December 31, 2021 and comparative period.

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

- 2.2** The SECP through its letter CLD/RD/CO.237/PPL/2004 dated July 6, 2004 has exempted the Holding Company from consolidation of financial statements in respect of its investment in PPPFTC under Companies Act, 2017. Accordingly, the Holding Company has not consolidated the PPPFTC in its condensed consolidated interim financial statements for the half year ended December 31, 2021.
- 2.3** The Securities and Exchange Commission of Pakistan (SECP) through S.R.O 985(I)/2019 dated September 02, 2019 has partially modified applicability of IFRS 9 in respect of companies holding financial assets due from the Government of Pakistan (GoP). The said S.R.O states that requirements contained in IFRS 9 'Financial Instruments' with respect to application of expected credit losses (ECL) method on such receivable balances shall not be applicable till June 30, 2021. The SECP through S.R.O. 1177(I)/2021 dated September 13, 2021, has granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022. Consequently, the Holding Company has not recorded impact of aforesaid ECL in respect of financial assets due directly / ultimately from the GoP in consequence of circular debt, in these condensed consolidated interim financial statements based on the clarification received from SECP. Further, in relation to financial assets due from parties other than GoP, the management of the Holding Company believes that the impact of ECL is not material as outstanding balances are receivable from companies who have high credit rating with no history of default (except as mentioned in note 7 to these condensed consolidated interim financial statements).

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3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed consolidated interim financial statements are the same as those applied in the preparation of the annual consolidated financial statements as at and for the year ended June 30, 2021, except for the following accounting policy adopted during the period;

3.1 Investment in Associated Companies

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The results, assets and liabilities of the associate have been incorporated in these condensed consolidated interim financial statements using the equity method of accounting. Under the equity method, investments in associates are initially recognised at cost adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from the associate are recognised as a reduction in the carrying amount of the investment. Losses of an associate in excess of Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligation or made payment on behalf of the associate. The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 4.7 to the consolidated financial statements for the year ended June 30, 2021.

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

3.3 New or amendments / interpretations to existing standards, interpretations and forthcoming requirements

There are new and amended standards as well as interpretations that are mandatory for accounting periods beginning July 01, 2021 but are considered not relevant or do not have any significant effect on the Holding Company's financial position and are therefore not stated in these condensed consolidated interim financial statements.

3.4 Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2022 and are not likely to have an effect on these condensed consolidated interim financial statements:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).

The following annual improvements to IFRS 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022 and are not likely to have an effect on these condensed consolidated interim financial statements:

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender;
- IFRS 16 – The objective of the amendment is to resolve any potential confusion that might arise in lease incentives;
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique;

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**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the half year ended December 31, 2021

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Reference to the Conceptual Framework (Amendments to IFRS 3);
- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures;
- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty;
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) and;
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

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

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

Estimates, assumptions and judgments made by the management in the preparation of these condensed consolidated interim financial statements are the same as those applied in the preparation of the annual consolidated financial statements as at and for the year ended June 30, 2021.

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements as at and for the year ended June 30, 2021.

	December 31, 2021 Unaudited (Rupees in thousand)	June 30, 2021 Audited
5. PROPERTY, PLANT AND EQUIPMENT		
Opening Net Book Value (NBV)	93,750,767	95,021,854
Additions to owned assets - net	5,921,869	19,174,147
	<u>99,672,636</u>	<u>114,196,001</u>
Disposals during the period / year (NBV)	(841)	(6,634)
Adjustments / reclassifications during the period / year (NBV)	88,883	(2,341,356)
Depreciation / amortisation charged during the period / year	(8,349,859)	(18,097,244)
	<u>91,410,819</u>	<u>93,750,767</u>
Capital work-in-progress - note 5.1	52,724,720	53,652,036
	<u>144,135,539</u>	<u>147,402,803</u>

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the half year ended December 31, 2021

	December 31, 2021 Unaudited (Rupees in thousand)	June 30, 2021 Audited
5.1 Capital work-in-progress		
Plant, machinery, fittings and pipelines	10,430,171	8,711,906
Exploration and Evaluation (E&E) assets - note 5.1.1	25,411,691	24,245,767
Development and production (D&P) assets	2,588,341	5,014,297
Lands, buildings and civil constructions	99,922	76,955
Capital stores for drilling and development	15,315,817	15,603,111
Less: written-off - note 5.1.2	(1,121,222)	-
	<u>14,194,595</u>	<u>15,603,111</u>
	<u>52,724,720</u>	<u>53,652,036</u>

5.1.1 Amounts under E&E assets are net of cost of dry / abandoned wells charged to profit or loss during the period / year, amounting to Rs 6,540 million (June 30, 2021: Rs 6,224 million).

5.1.2 This represents inventory items identified as unusable / scrap written-off during the period.

	December 31, 2021 Unaudited (Rupees in thousand)	June 30, 2021 Audited
6. LONG-TERM INVESTMENTS		
Investments in related parties		
- Wholly owned subsidiary		
- PPPFTC	1	1
- Associate		
Unquoted company		
- Pakistan International Oil Limited (PIOL) - note 6.1		
Equity held: 25%		
No. of shares: 2,500,000 of USD 10/- each	1,999,135	-
Other investments		
- At amortised cost		
- Foreign currency term deposits with banks - note 6.2	1,508,325	4,194,324
	<u>3,507,461</u>	<u>4,194,325</u>

6.1 During the period, a Holding Company-led consortium has been awarded Offshore Block 5 in Abu Dhabi's second competitive exploration block bid round. Besides the Holding Company, the consortium comprises three major Pakistani E&P companies i.e. Oil and Gas Development Company Limited (OGDCL), Mari Petroleum Company Limited (MPCL) and Government Holdings (Private) Limited (GHPL). Offshore Block 5 covers an area of 6,223 square kilometers and is located 100 kilometers north-east of the Emirate of Abu Dhabi. To this end, the consortium companies have established an independent company PIOL at Abu Dhabi Global Market with each consortium company having a 25% equity stake in PIOL. The exploration concession agreement between PIOL and Abu Dhabi National Oil Company (ADNOC) was signed on August 31, 2021.

The investment represents USD 25 million (Rs 4,161.250 million) invested by the Holding Company in PIOL, net of share of loss for the period amounting to Rs 2,374.350 million charged to profit or loss and exchange gain on translation of foreign associate amounting to Rs 212.235 million recorded through other comprehensive income to translation reserve. The loss for the period mainly pertains to exploration expenditure incurred by PIOL.

6.2 These represent term deposits with banks amounting to USD 8.500 million (June 30, 2021: USD 26.580 million) having effective interest rate of 1.25% to 2.50% (June 30, 2021: 2.10% to 2.25%) per annum. These investments are due to mature in January 2023.

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the half year ended December 31, 2021

December 31,
2021
Unaudited
(Rupees in thousand)

June 30,
2021
Audited

7. TRADE DEBTS

Unsecured and considered good

Related parties

Central Power Generation Company Limited (GENCO-II) - note 7.3	4,488,317	6,305,294
Sui Northern Gas Pipelines Limited (SNGPL)	170,563,587	151,225,754
Sui Southern Gas Company Limited (SSGCL)	126,276,257	110,126,963
Pak-Arab Refinery Limited (PARCO)	2,671,132	2,416,363
Pakistan Refinery Limited (PRL)	976,588	1,196,389
Oil & Gas Development Company Limited (OGDCL)	72,175	439,174
	<u>305,048,056</u>	<u>271,709,937</u>

Non-related parties

Attock Refinery Limited (ARL)	14,088,567	10,247,211
National Refinery Limited (NRL)	526,456	490,831
Others	553,454	223,106
	<u>15,168,477</u>	<u>10,961,148</u>
	<u>320,216,533</u>	<u>282,671,085</u>

Unsecured and considered doubtful

Non-related parties

Cnergyico Pk Limited (CNERGY)	253,002	253,002
<i>formerly Byco Petroleum Pakistan Limited (Byco)</i>	169,454	211,383
EGAS Pvt. Ltd. (EGAS) - note 7.4	(422,456)	(464,385)
Less: Provision for doubtful debts	-	-
	<u>320,216,533</u>	<u>282,671,085</u>

7.1 The ageing of trade debts is as follows:

Neither past due nor impaired	26,043,914	25,966,802
Past due but not impaired:		
Related parties		
- within 90 days	33,501,789	22,300,682
- 91 to 180 days	23,114,805	24,270,381
- over 180 days	231,992,248	205,955,360
	<u>288,608,842</u>	<u>252,526,423</u>
Non-related parties		
- within 90 days	4,302,892	2,360,976
- 91 to 180 days	231,193	60,339
- over 180 days	1,029,692	1,756,545
	<u>5,563,777</u>	<u>4,177,860</u>
	<u>320,216,533</u>	<u>282,671,085</u>

7.2 Trade debts include overdue amount of Rs 287,185 million (June 30, 2021: Rs 251,285 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL and OGDCL) and Rs 7,606 million (June 30, 2021: Rs 5,883 million) overdue receivable from refineries (i.e. ARL, CNERGY, PARCO, NRL and PRL) and other customers.

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

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**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the half year ended December 31, 2021

- 7.3** Trade debts do not include GDS and GIDC amounting to Rs 59,385 million (June 30, 2021: Rs 52,949 million) and Rs 6,199 million (June 30, 2021: Rs 7,399 million), respectively as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have been billed to GENCO-II but have not been received by the Holding Company at the reporting date.
- 7.4** During the period, the Holding Company has received an amount of Rs 75 million from EGAS. Accordingly, the provision for doubtful debts has been reversed to the extent of the Holding Company's share of recovery amounting to Rs 41.929 million.

December 31, 2021	June 30, 2021
Unaudited	Audited
(Rupees in thousand)	

8. SHORT-TERM INVESTMENTS

At amortised cost

- Local currency term deposits with banks - note 8.1	29,167,500	32,142,500
- Foreign currency term deposits with banks - note 8.2	40,217,977	35,294,890
- Local currency treasury bills - note 8.3	7,491,816	2,349,399
	76,877,293	69,786,789

At fair value through profit or loss

- Mutual Funds	18,282,767	17,609,193
	95,160,060	87,395,982

- 8.1** These carry profit ranging from 7.25% to 13.75% (June 30, 2021: 7.65% to 8.00%) per annum and are due to mature latest by September 2022.
- 8.2** These represents foreign currency term deposits with banks amounting to USD 226.644 million (June 30, 2021: USD 223.669 million) having effective interest rate ranging from 0.65% to 3.50% (June 30, 2021: 0.35% to 2.01%) per annum and are due to mature latest by October 2022.
- 8.3** These carry profit ranging from 7.19% to 10.55% (June 30, 2021: 7.25% to 7.56%) per annum and are due to mature latest by February 2022. These bills were issued by GoP and sold through State Bank of Pakistan.

December 31, 2021	June 30, 2021
Unaudited	Audited
(Rupees in thousand)	

9. TRADE AND OTHER PAYABLES

Creditors	514,767	799,192
Accrued liabilities	8,472,781	7,528,834
Security deposits / advances from LPG distributors	691,939	224,614
Retention money	72,781	81,770
Sales tax - net	2,267,863	999,734
Royalties	7,326,154	8,499,301
Lease extension bonus	27,392,665	24,932,829
Current accounts with joint operations	9,215,942	11,497,300
Staff retirement benefit funds	139,402	1,310,902
Provision for windfall levy on oil / condensate	12,819,937	10,242,937
Federal excise duty - net	116,347	111,777
Workers' Profits Participation Fund (WPPF)	2,116,016	-
Contractual obligations for Iraq EDPSC	821,588	692,056
Others	199,894	290,916
	72,168,076	67,212,162

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the half year ended December 31, 2021

- 9.1 Trade and other payables do not include GDS and GIDC amounting to Rs 59,385 million (June 30, 2021: Rs 52,949 million) and Rs 6,199 million (June 30, 2021: Rs 7,399 million), respectively as the obligation of the Holding Company is to pay the collected amounts to the Federal Government on receipt basis. The said amounts have not been paid to the GoP due to non-payment of the same by GENCO-II at the reporting date.

10. CONTINGENCIES AND COMMITMENTS

There are no major changes in the status of contingencies and in commitments as disclosed in the annual consolidated financial statements as at and for the year ended June 30, 2021, except for the following:

- 10.1 Groups commitments for capital expenditure (net share) as at December 31, 2021 are Rs 1,458 million (June 30, 2021: Rs 793 million). Further, total amount outstanding under letters of credit (net share) as at December 31, 2021 is Rs 1,293 million (June 30, 2021: Rs 870 million).
- 10.2 With respect to PIOL (note 6.1), the Holding Company has entered into a Shareholders' Agreement with the consortium partners, under which the Holding Company has committed to invest up to USD 100 million (Rs 17,795 million) in PIOL during the next five years, out of which USD 25 million have been invested till December 31, 2021. Further, the Holding Company has provided parent company guarantee as mentioned in note 18.4 to these condensed consolidated interim financial statements.
- 10.3 During the period, with respect to the Holding Company, the Tax Authorities have issued a notice showing their intention to recover the alleged outstanding amount of Late Payment Surcharge (LPS) amounting to Rs 3,073 million on account of Gas Development Surcharge (GDS) relating to various years. The said notice was issued in terms of powers granted to the Federal Board of Revenue (FBR) under section 40E of the Public Finance Management Act, 2019 for recovering non-tax revenue from any taxpayer on the instructions of the concerned Ministry. Based on the advice from the legal counsel, the Holding Company filed a Constitutional Petition challenging the impugned notice before the Honourable Sindh High Court (SHC). The Honourable SHC vide an interim order directed the Tax Authorities not to initiate recovery proceedings subject to the condition that 50% amount is deposited by the Holding Company. Accordingly, the Holding Company deposited a pay order worth Rs 1,536 million. Further, on December 31, 2021, the Holding Company submitted a bank guarantee for the same amount and accordingly the pay order was released by the Court subsequent to the period end. The amount of the pay order of Rs 1,536 million is included in Other receivables.

	Half year ended December 31, 2021	Half year ended December 31, 2020
	(Rupees in thousand)	
11. REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross revenue		
Natural gas	64,298,082	65,504,034
Gas supplied to Sui villages	426,244	397,181
Internal consumption of gas	218,477	197,597
Crude oil / Condensate / Natural Gas Liquids	34,273,715	17,804,271
LPG	8,309,090	4,579,855
Barytes	474,094	211,307
	107,999,702	88,694,245
Government levies / discounts		
Federal excise duty	(782,481)	(877,548)
Sales tax	(16,508,761)	(11,729,737)
Petroleum levy	(269,606)	(264,587)
Discounts (Barytes)	(19,851)	(10,584)
	(17,580,699)	(12,882,456)
	90,419,003	75,811,789

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the half year ended December 31, 2021

	Half year ended December 31, 2021 (Rupees in thousand)	Half year ended December 31, 2020
12. OPERATING EXPENSES		
Salaries, wages, welfare and other benefits	5,024,950	5,164,360
Operator's personnel	1,391,540	1,307,740
Depreciation	3,067,326	4,147,497
Amortisation of decommissioning assets	829,282	707,084
Amortisation of D&P assets	4,367,992	5,563,940
Plant operations	1,698,069	1,732,373
Well interventions	590,612	497,699
Field services	1,286,339	1,177,646
Crude oil transportation	469,631	433,787
Travelling and conveyance	281,204	277,317
Training & development	20,408	42,624
PCA overheads	83,253	118,645
Insurance expenses	309,273	326,481
Free supply of gas to Sui villages	426,244	397,181
Social welfare / community development	118,801	293,745
	<u>19,964,924</u>	<u>22,188,119</u>
13. EXPLORATION EXPENSES		
13.1 Exploration expenses for the period also include cost of dry / abandoned wells amounting to Rs 6,540 million (December 2020: Rs 1,642 million).		
	Half year ended December 31, 2021 (Rupees in thousand)	Half year ended December 31, 2020
14. OTHER CHARGES		
WPPF charge	2,116,016	1,814,578
Exchange loss on foreign currency - net	-	1,400,634
Provision for windfall levy on oil / condensate	2,577,000	676,000
Capital stores for drilling & development written off - note 5.1.2	1,121,222	-
Reversal of provision for obsolete / slow moving stores & spares	(171,176)	-
Others	5,333	-
	<u>5,648,395</u>	<u>3,891,212</u>
15. OTHER INCOME		
Income from financial assets		
Income on loans and bank deposits	215,501	241,077
Income on local currency term deposits	436,163	265,390
Income on foreign currency term deposits	383,350	570,337
Income from investment in treasury bills	1,121,229	276,808
Dividend income / gain on re-measurement of investments designated at fair value through profit or loss (net)	764,947	380,091
	<u>2,921,190</u>	<u>1,733,703</u>
Income from assets other than financial assets		
Rental income on assets	2,412	3,317
Profit on sale of property, plant and equipment (net)	20,215	19,413
Exchange gain on foreign currency (net)	4,334,568	-
Insurance claims	510	83,547
Others	-	36,308
	<u>4,357,705</u>	<u>142,585</u>
	<u>7,278,895</u>	<u>1,876,288</u>

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the half year ended December 31, 2021

	Half year ended December 31, 2021 (Rupees in thousand)	Half year ended December 31, 2020
16. TAXATION		
Current		
- For the half year	14,396,233	12,556,341
- For the prior year	610,327	(1,028,800)
	15,006,560	11,527,541
Deferred	(1,365,432)	(3,080,611)
	13,641,128	8,446,930
17. CASH AND CASH EQUIVALENTS		
Short-term highly liquid investments - note 17.1	63,741,402	34,009,437
Cash and bank balances	3,211,198	5,992,267
	66,952,600	40,001,704

- 17.1** Short-term investments as disclosed in note 8 amount to Rs 95,160 million (December 2020: Rs 74,347 million). However, mutual funds amounting to Rs 18,283 million (December 2020: Rs 15,825 million), foreign currency term deposits with banks having maturity of over 90 days amounting to Rs 13,111 million (December 2020: Rs 24,513 million) and local currency term deposits with banks having maturity over 90 days amounting to Rs 25 million (December 2020: Nil) are not considered as cash and cash equivalents in accordance with the requirements of IAS-7 "Statement of Cash Flows".

18. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	Half year ended December 31, 2021 (Rupees in thousand)	Half year ended December 31, 2020
Sales of gas / oil / barytes to State controlled entities (including Government levies)		
GENCO-II	4,429,618	6,703,374
SSGCL	25,990,276	23,142,770
SNGPL	33,878,189	35,657,889
OGDCL	68,680	1,076,959
	64,366,763	66,580,992
Long-term receivables, trade debts and other receivables from state controlled entities as at December 31	301,564,385	263,236,708

(1/1/2021)

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the half year ended December 31, 2021

	Half year ended December 31, 2021 (Rupees in thousand)	Half year ended December 31, 2020
Transactions and balances with Associated Companies		
Sales of crude oil / condensate to PARCO	6,361,604	2,709,317
Sales of crude oil / condensate to PRL	1,182,441	828,895
Payment to Total PARCO Pakistan Limited	31,977	2,945
Membership / sponsorship fee paid to Petroleum Institute of Pakistan	3,288	975
Purchase of medicines from Sanofi-Aventis Pakistan Limited	2,953	-
Annual supervision fee paid to Audit Oversight Board	500	-
Equity investment in PIOL	4,161,250	-
Receivable from PIOL as at December 31	32,261	-
Service fee (G&A overheads) charged to PIOL	13,077	-
Payment of employees cost on secondment to PIOL	51,320	-
Deposits with Askari Bank Limited (AKBL) as at December 31	-	4,244
Letters of credit placed with AKBL as at December 31	-	203,451
Transactions with Joint Operations		
Payments of cash calls to joint operations	18,339,337	15,992,481
Expenditures incurred by the joint operations	15,932,841	10,661,452
Under advance balances relating to joint operations as at December 31	8,627,680	10,871,340
Current account receivables relating to joint operations as at December 31	1,368,177	2,104,675
Current account payables relating to joint operations as at December 31	98,551	266,594
Income from rental of assets to joint operations	2,412	3,317
Purchase of goods from BME (net)	92,756	23,483
Reimbursement of employee cost on secondment to BME	11,268	13,424
Dividend income from BME	250,000	-
Other related parties		
Dividend to GoP	3,673,727	1,836,864
Dividend to trust under BESOS	400,115	200,057
Dividend to trusts under retirement benefit funds	3,029	1,515
Transactions with retirement benefit funds	608,936	549,416
Remuneration to key management personnel	1,732,866	1,671,474
Payment to PPL Welfare Trust for CSR activities	21,000	20,000
Payment of rental to Pakistan Industrial Development Corporation	91,991	71,767
Payment of rental to Karachi Port Trust	4,801	5,379
Payment of insurance premium to National Insurance Company Limited (NICL)	840,467	424,568
Insurance claim received from NICL	510	83,547
Fuel purchased from Pakistan State Oil Company Limited	275,382	28,764
Payment for chartered flights to Pakistan International Airlines Corporation Limited	56,963	37,099
Deposits with National Bank of Pakistan as at December 31	48,682	75,498
Stores and spares on loan to OGDCL	-	3,065

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS (UNAUDITED)**
For the half year ended December 31, 2021

- 18.1** Aggregate amount charged in these condensed consolidated interim financial statements in respect of fees paid to nine non-executive directors was Rs 17.50 million (December 2020: Rs 10.625 million to seven non-executive directors).

In addition to the above, during the period an amount of Rs 0.375 million was paid to two directors of PPLA and PPLE each (December 2020: Rs 0.188 million to three directors of PPLA).

- 18.2** The Holding Company has guaranteed to the Midland Oil Company Iraq, the performance and fulfilment of obligations by PPLA under the Exploration Development and Production Service Contract. Total financial commitment of PPLA is USD 100 million (Rs 17,795 million) {December 2020: USD 100 million (Rs 16,080 million)}, out of which USD 29.760 million (Rs 5,296 million) {December 2020: USD 32.129 million (Rs 5,116 million)} is outstanding.
- 18.3** The Holding Company has provided parent company guarantee amounting to USD 5.3 million (Rs 943 million) {December 2020: USD 5.3 million (Rs 852 million)} to GoP in respect of PPLE's exploration licenses in Pakistan i.e. Barkhan, Harnai and Ziarat.
- 18.4** The Holding Company has provided a parent company guarantee (corporate guarantee) on a joint and several basis to ADNOC and Supreme Council For Financial and Economic Affairs, Abu Dhabi, UAE to guarantee all the obligations of PIOL under the concession documents.
- 18.5** The Holding Company has a receivable of Rs 30.27 million from OGDCL, MPCL and GHPL (Rs 10.15 million, Rs 8.06 million and Rs 12.06 million receivable, respectively) with respect to the payments made by the Holding Company on their behalf for expenses related to PIOL.

	Half year ended December 31, 2021	Half year ended December 31, 2020
19. EARNINGS PER SHARE		
19.1 Basic earnings per share		
Profit after taxation (Rs '000)	31,138,861	26,105,414
Dividend on convertible preference shares (Rs '000)	(32)	(34)
Profit attributable to ordinary shareholders (Rs '000)	<u>31,138,829</u>	<u>26,105,380</u>
Weighted average number of ordinary shares in issue	<u>2,720,972,657</u>	<u>2,720,972,109</u>
Basic earnings per share (Rs)	<u>11.44</u>	<u>9.59</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.

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

For the half year ended December 31, 2021

	Half year ended December 31, 2021	Half year ended December 31, 2020
19.2 Diluted earnings per share		
Profit after taxation (Rs '000)	<u>31,138,861</u>	<u>26,105,414</u>
Weighted average number of ordinary shares in issue	<u>2,720,972,657</u>	<u>2,720,972,109</u>
Adjustment for convertible preference shares	<u>10,871</u>	<u>11,419</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>2,720,983,528</u>	<u>2,720,983,528</u>
Diluted earnings per share (Rs)	<u>11.44</u>	<u>9.59</u>

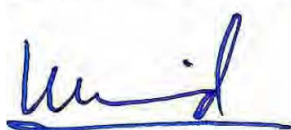
20. SUBSEQUENT / NON-ADJUSTING EVENTS

- 20.1** Subsequent to the period end, the detailed judgment of the Honourable Supreme Court of Pakistan (SCP) has been issued in relation to the Benazir Employees' Stock Option Scheme (BESOS). The Honourable SCP has held that the BESOS was established without any policy input of the Council of Common Interests. Therefore, it fell beyond the ambit of authority of the Federal Cabinet and contravened Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973. Accordingly, the Honourable SCP upheld the judgment dated January 03, 2018 passed by the Honourable Sindh High Court, as fully explained in note 3.5 to the annual consolidated financial statements for the year ended June 30, 2021. The Holding Company is taking all necessary corporate actions to repatriate the funds and transfer of shares back to the Federal Government.
- 20.2** The Board of Directors of the Holding Company in its meeting held on February 25, 2022 has approved interim cash dividend @ 15% amounting to Rs 4,081.459 million (December 2020: @ 15% amounting to Rs 4,081.458 million) and Rs 0.016 million (December 2020: @ 15% amounting to Rs 0.017 million) on the paid up value of ordinary share capital and convertible preference share capital, respectively.

21. DATE OF AUTHORISATION FOR ISSUE

These condensed consolidated interim financial statements were authorised for issue on February 25, 2022 by the Board of Directors of the Holding Company.

Kamran



CHIEF FINANCIAL OFFICER



DIRECTOR



CHIEF EXECUTIVE OFFICER



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