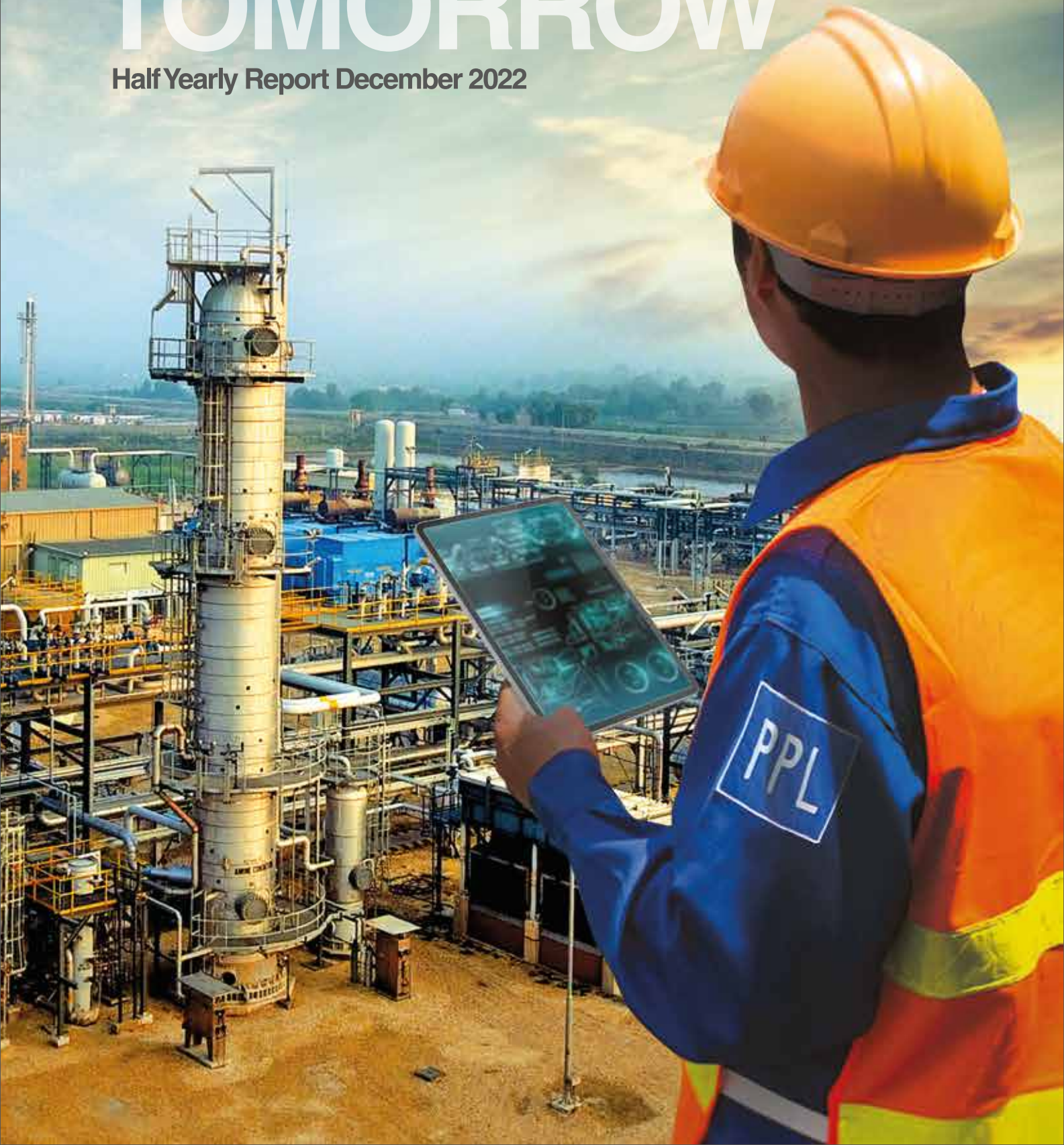




# BETTER TOMORROW

Half Yearly Report December 2022





## COMPANY INFORMATION

### Board of Directors

Mr. Shahab Rizvi  
Chairman

Mr. Imran Abbasy  
Chief Executive Officer /  
Managing Director

Mr. Abdul Aziz Uqaili

Mr. Abid Sattar

Mr. Aftab Ahmad

Mr. Awais Manzur Sumra

Mr. Imtiaz A.H. Laliwala

Ms. Khurshid Bhaimia

Mr. Mian Imtiazuddin

Mr. Capt. (Retd.) Muhammad Mahmood

Mr. Capt. (Retd.) Shahbaz Tahir Nadeem

### 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](http://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. Surr ridge & Beecheno

## **DIRECTORS' INTERIM REVIEW**

Your directors are pleased to present the unaudited condensed interim financial statements for the half year ended December 31, 2022, 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, 2022, are as follows:

##### **Discoveries**

Two discoveries in Shinawari-Samanasuk and Lockhart formations have been made in partner operated Tal block, whereas a discovery has been made in well Shahpur Chakar North X-1 in PPL operated Gambat South block.

##### **Drilling Activities**

An exploratory well was spudded in PPL operated area during the period.

Three wells were spudded in partner operated areas during the period i.e., two exploratory wells and a development well.

##### **Geophysical Surveys**

In PPL operated blocks, 3D seismic data of ~439 sq. km and 2D seismic data of ~368 line km were acquired during the current period.

In PPL Europe's (PPLE) partner operated Ziarat block, 3D seismic data of ~228 sq. km was acquired during the period.

#### **Financial Highlights**

The key financial results of the Company for the half year ended December 31, 2022, are as follows:

	<b>Half year ended December 31, 2022</b>	<b>Half year ended December 31, 2021</b>
	<b>Rs Million</b>	
Sales revenue (net)	137,657	89,528
Profit before taxation	78,282	45,350
Taxation	(29,346)	(13,641)
Profit after taxation	48,936	31,709
Basic and Diluted Earnings Per Share (Rs)	17.98	11.65

##### **Sales revenue**

Sales revenue increased by Rs 48,129 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 46,222 million, coupled with positive volume variance of Rs 1,907 million.

Positive price variance is due to increase in average international crude oil prices from US\$ 75.71 / bbl in the corresponding period to US\$ 94.87 / bbl during the current period, coupled



with devaluation of Pak rupee against US dollar (average exchange rate for the current period was PKR 223.81 as compared to PKR 169.63 during the corresponding period).

Positive volume variance is mainly attributable to Dhok Sultan, Kandhkot and Latif fields, partially offset by lower production volumes from Sui, Tal, Nashpa, Adhi and Shah Bandar fields.

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

	<b>Unit</b>	<b>Half year ended December 31, 2022</b>	<b>Half year ended December 31, 2021</b>
Natural Gas	MMscf	117,641	109,262
Crude Oil / Natural Gas Liquids / Condensate	BBL	2,281,744	2,313,693
Liquefied Petroleum Gas (LPG)	Tonnes	59,976	57,744
Barytes	Tonnes	37,204	45,568

### **Profitability**

Profitability increased by over 54% as compared to the corresponding period. The main drivers are increase in sales revenue (as explained above), partially offset by higher operating expenses, taxation, royalties & other levies and other charges.

Operating expenses increased on account of higher amortisation charge and well intervention activities, whereas increase in taxation is mainly due to higher profitability and imposition of super tax at the rate of 4% as compared to corresponding period, while royalties & other levies increased in line with higher sales revenue during the period.

Further, increase in other charges is largely on account of higher provision for windfall levy on oil and WPPF charge in the current period.

### **Liquidity management and cash flow position**

Overall collections from customers improved as compared to the corresponding period however, trade debts increased by ~18% on account of higher sales revenue, which stood at Rs 431 billion as at December 31, 2022 as compared to Rs 366 billion as at June 30, 2022. 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.

### **Macroeconomic situation and its impact on the Company's performance / operations**

During the half-year ended December 2022, the country witnessed unprecedented economic situation and challenges, be it the Rupee free-fall against the US Dollar, significant decline in the country's foreign exchange reserves, restrictions imposed on import of goods, CPI at record high level, increase in policy rate by SBP, economic loss and rehabilitation challenges due to massive floods, closure of import-driven industries, or the high crude oil and commodity prices.



Due to the above, the Company faced difficulty in import of spares parts and other equipment. While the high oil price and exchange rates have a positive impact on the company's bottom-line, the sales collections did not increase proportionately as the distribution companies are unable to pass on the price increase to end consumers. As such, the circular debt further increased by a huge Rs 65 billion. On the other side, the Company is required to pay statutory taxes and duties on its earned income on accrual basis, further adversely affecting the Company's liquidity position.

### **AWARDS FOR ANNUAL REPORT 2021**

The Company's Annual Report 2021 has been conferred the following two awards:

- Secured second position in the Fuel & Energy category at the Best Corporate and Sustainability Report Awards. The event was jointly organised by the Institute of Chartered Accountants of Pakistan and the Institute of Cost and Management Accountants of Pakistan on September 27, 2022, at Karachi, Pakistan.
- Secured Joint Bronze award in the Public Sector Entities category at the Best Presented Annual Report Awards organised by South Asian Federation of Accountants on December 18, 2022, at Kathmandu, Nepal.

### **FOCUS AREAS**

#### **Exploration**

At present, the Company's portfolio, together with its subsidiaries and associate, consists of forty-six (46) exploratory blocks, out of which twenty-eight (28) are operated (including one offshore block in Pakistan and one offshore Block-5 in Abu Dhabi, being operated by Pakistan International Oil Limited), and eighteen (18), including one onshore block in Yemen, are partner operated. In addition, one (1) operated block and three (3) partner operated blocks have been provisionally awarded to the Company by the Government of Pakistan (GoP). Further, consequent to restructuring within the Company during the period, the Exploration Asset has been reconstituted as Exploration & Core Business Development and divided into (i) Exploration Domestic (ii) Exploration Frontier (iii) Overseas and Core Business Development and (iv) Mineral Resources and (v) Subsurface Technologies & Support Services. Update on major exploration activities is as follows:

#### **Exploration Domestic**

In Gambat South block, exploratory well Shahpur Chakar North X-1 was declared as a gas and condensate discovery. Based on initial testing in the Lower Goru formation, the well flowed gas at the rate of 15.2 MMscfd along with condensate 321 bbl / day. Further, exploratory wells Hatim X-1 and Faiz X-1 were charged to profit or loss due to likelihood of monetisation being very low.

Preparations are underway for civil works of the exploratory well Dolphin X-1 in Sirani block.

In Sorah block, 3D seismic data acquisition is in progress with a cumulative coverage of ~331 sq. km, while in Kotri block, reservoir characterisation & seismic inversion study has been completed.

In Hisal block, 3D seismic data acquisition is in progress with a cumulative coverage of ~108 sq. km, while seismic crew mobilisation to acquire 2D seismic data is in progress at Punjab block.

#### **Exploration Frontier**

In Kharan East and Nausherwani blocks, 2D seismic data acquisition has been completed with a cumulative coverage of ~200 line km and ~100 line km, respectively, whereas 2D seismic data acquisition is in progress in Musakhel block.

In Margand block, preparations are in progress to acquire ~200 line km 2D seismic data.

Preparations are underway to spud 1<sup>st</sup> exploratory well Durug X-1 in Baska block and civil works are in progress to spud 3<sup>rd</sup> exploratory well Murad X-1 in Kalat block.

### Overseas and Core Business Development

As part of business strategy, the Company regularly acquires and divests working interest in its blocks to further expand and optimise its exploration portfolio while remaining within its risk appetite, including scouting and assessing of new overseas opportunities.

During the period, the GoP offered a total of eight blocks for competitive bidding in 2<sup>nd</sup> bid round in July 2022, where the Company submitted joint bids for four blocks. All four bids of the Company have been declared successful in October 2022 and GoP has provisionally awarded the following blocks.

Blocks	Province	Operator	Working Interest
Shaigalu	Balochistan	PPL	PPL (40%), MPCL (30%), OGDCL (30%)
South Pishin	Balochistan	MPCL	PPL (35%), MPCL (37%), OGDCL (28%)
Tanishpa	Balochistan	OGDCL	PPL (35%), MPCL (28%), OGDCL (37%)
Lugai	Balochistan	OGDCL	PPL (30%), MPCL (30%), OGDCL (40%)

### Mineral Exploration

A bid has been submitted to Balochistan Mineral Resources Limited (BMRL) for a new mineral exploration license. Bidding results are awaited.

The Company, together with Oil and Gas Development Company Limited and Government Holdings (Private) Limited, collectively the State-Owned Enterprises (SOEs), signed the Project's Definitive Agreements on December 15, 2022, with respect to the SOEs participation in the Reconstituted Reko Diq Project. Pursuant to the Definitive Agreements, the Company, alongside other SOEs, has invested in the project Company, i.e. Reko Diq Mining Company (Private) Limited (RDML) through Pakistan Minerals (Private) Limited (PMPL). As part of the implementation plan agreed under the Definitive Agreements, PMPL acquired a 25% stake in the project utilising the amount in the interest-bearing escrow account totaling US\$ 583.7 million. PMPL holds an indirect working interest in RDML through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (hereinafter referred to as "Holdcos"). RDML is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDML. The SOEs have the right to have representation on the Boards of Holdcos and RDML through PMPL.

Prior to the completion of the above steps, the Company convened an Extraordinary General Meeting of the shareholders on November 30, 2022 and procured shareholders' approval for participation in the Project by way of equity contribution. Furthermore, earlier in December 2022, the Supreme Court of Pakistan gave a short order and opined in favor of the reconstitution of the Project.

Under the Joint Venture Agreement, the Company has committed to contribute USD 398 million, to be adjusted for inflation, for funding Phase-1 of the Project. Part of this commitment is expected to be fulfilled through project financing. In addition, the Company has committed to contribute, by way of equity, upto USD 1 million per year towards its proportionate share in the administrative

expenses of PMPL. Furthermore, the Company has provided a several corporate guarantee to fulfil the obligations of the Company under the Definitive Agreements.

### **Partner-Operated Exploration Blocks**

In Kirthar block, exploratory well Rayyan-1 was spud-in on December 5, 2022 and currently drilling is in progress.

In Latif block, exploratory well Jugan-2 was spud-in on November 23, 2022, and currently drilling is in progress.

Exploratory wells Mithrau-1 in Latif block and Khanot-1 in Kotri North block were charged to profit or loss as dry wells.

### **Exploration Blocks of PPL Europe - Wholly Owned Subsidiary**

In Ziarat block, 3D seismic data acquisition has been completed with a cumulative coverage of ~228 sq. km, while preparations are underway for acquisition of 2D seismic data. Currently, maintenance / testing of ground electronics and mechanical equipment is in progress.

In Harnai block, Environmental Impact Assessment (EIA) study is in progress to carry out exploration activities in environmentally protected area. Further, award of the contract for the gravity / magnetic data acquisition has been delayed amid adverse security situation in the eastern part of the survey area.

### **Exploration Block of PPL Asia - Wholly Owned Subsidiary**

In Block-8 Iraq, wellsite of exploratory well Madain-1 was handed over to representatives of Ministry of Iraq during the second week of December 2022 after expiry of the exploration license period. Close out activities for winding up the Iraq Branch are in process, including settlement of contracts and claims.

### **Offshore Block 5 - Abu Dhabi**

3D seismic depth processing is in progress, while various G&G studies related to appraisal and exploration campaigns are in process to mitigate risks and evaluate potential of the block. Pre-requisite arrangements for drilling of appraisal wells during 2023 are underway, including arrangement of long lead items, associated drilling services and hiring of jack-up rig.

### **Producing Fields**

#### **Sui**

Production optimisation activities i.e., additional perforation and acid stimulation were carried out in wells Sui-7(M) and Sui-96(M), which resulted in additional gas of ~3 MMscfd. Further, location for development well Sui-115 has been finalised into Pab reservoir based on the in-house study. Presently, site construction work is in progress and the well is expected to be spud-in during February 2023.

Moreover, maintenance and enhancement of reliability activities were undertaken at Purification Plant and Gas Compression Station, including major overhauling of compressor trains, inspection, and preventive maintenance of gas turbines, gas gensets, banks, and gas dehydration units.

#### **Kandhkot**

The GoP has granted Development & Production Lease over Kandhkot Main Mining Lease for a period of fifteen (15) years with effect from January 15, 2022, under Rule 30A of the Petroleum Exploration and Production Rules, 2013.



Further, maintenance and enhancement of reliability activities were carried out at Power Generation System, Separation Tanks and Pipeline networks, including major overhauling of Cummins Genset-A, internal cleaning and inspection of condensate separation tanks and assessment of underground pipeline network. Further, flood rehabilitation works have been started on Right of Ways for smooth movement of operational vehicles in flood affected areas.

During the period, gas sales averaged around ~156 MMscfd to the customer i.e., GENCO-II.

### **Adhi**

Fracturing job of Adhi South-3 has been completed which resulted in gain of ~1,000 bbl / day along with ~1 MMscfd gas, while sidetrack operation of the well Adhi South-5 is in process. In addition, development well Adhi-35 has been spud-in subsequent to period end, whereas wellsite construction work for water disposal well is in progress.

### **Gambat South**

With respect to Zafir-GPF (Rehabilitation of GPF-III), the Company is vigorously pursuing to resolve legal impediments so that the site construction work can be commenced at the earliest. In respect of Gambat South GPF-IV compression project, compressors have arrived at site. However, site construction activities have been delayed due to force majeure notice submitted by the contractor, which is under deliberation.

Further, applications for Extended Well Testing (EWT) and Gas & Condensate allocation have been submitted to GoP with respect to new discovery at well Shahpur Chakar North X-1. Commencement of the first gas from the discovery is planned in first quarter of 2023-24.

### **Hala**

Preparations are underway for drilling of development well Adam-2. Tendering for site construction work is in process and the well is planned to be spud-in during the fourth quarter of the current year.

### **Dhok Sultan**

Dhok Sultan Oil Handling & Condensate Stabilisation facility is operating at a production rate of ~1,700 bbl / day oil, ~3 MMscfd gas and ~15 MT / day LPG.

### **Bolan Mining Enterprises (BME)**

With respect to Baryte, Lead and Zinc Project, regulatory approval from Government of Balochistan is awaited for initiation of tendering process of EPCC contact.

### **Partner-Operated Assets**

In Tal, development well Tolanj West-2 has been commissioned after completion of tie-in activities.

Further, as disclosed in note 5.1.2 to the financial statements, a fire incident occurred at a warehouse located in Tal during the previous quarter. Based on detailed assessment of the damaged items by the Operator of the field, loss amounting to Rs 770 million on write-off of items pertaining to operating assets and capital stores has been recognised during the period. Fortunately, the incident did not result in any loss of human life nor in the discontinuance of the production from the field.

In Latif, development well Latif-21 has been successfully completed as a gas producer. The well has been commissioned after completion of tie-in activities.

In Nashpa, drilling of development well Mela-8 has been completed and currently rig-less testing is in progress, whereas development well Nashpa-11 is under drilling.

Development wells Rizq-4 (Kirthar) and Miano-26 (Miano) were commissioned during the period.

In PPLE's Ziarat block, EWT production resumed from Bolan East-1 on October 09, 2022, after desilting of flood affected plant equipment and necessary repairs of the approach road and flare system.

### **Enterprise Risk Management Framework**

Risk focus sessions were held with Risk and Response Owners followed by Annual Risk Management Review Conference. Risk cards, containing mitigation plans for each risk for the year 2022-23 have been issued. During the period, Strategic Risk Assessment was also carried out for the Five-Year Plan 2022–27.

### **Corporate Social Responsibility**

PPL continued to work for promotion of education and uplift of communities at its producing and exploratory areas across the country and in this respect (i) completed construction of three school buildings and other construction works at three academic blocks (ii) released 15 scholarships under Higher Professional Education Scholarship programme to students (iii) completed installation of six solar based Reverse Osmosis (RO) plants and two solar based water supply schemes and (iv) drilled and developed one water bore well.

Further, Public Welfare Hospital, Sui continued providing healthcare facilities, including dental, gynaecological, diagnostic and emergency services with free-of-cost medicines and in-patient meals, benefitting over 30,000 patients from District Dera Bugti. Moreover, the Company continued the operations of Mobile Medical Units at Kandhkot, Gambat South, Mazarani, Dhok Sultan and Public Dispensary Mastala near Adhi field. Furthermore, surgical eye camps were held for the population residing in surrounding of producing areas of the Company and facilitated over 17,000 eye patients.

### **Quality, Health, Safety and Environment (QHSE)**

During the period, Safety Talks were conducted and circulated across the organisation for improving QHSE awareness among staff. Multiple Initial Environmental Examination (IEE) studies were carried out, and NOCs / extensions from Environmental Protection Agencies were successfully acquired to fully support the Company's strategic development work program. Further, QHSE internal and external management system audits were conducted across the Company, whereas implementation of Sustainability Reporting (SR) Module was rolled out in various fields.

In addition, 7.62 million safe manhours were completed (including contractors) by end of December 2022.

### **Human Resources**

In line with the business requirements of the Company, the skills and competencies of staff are being developed through effective training programs to enhance their potential and improve work efficiencies.

Further, as a result of job evaluation and reorganisation exercise carried out through external consultant, the management has successfully implemented the Organisational Restructuring to align it with business growth and contemporary best practices.

## **Industrial Relations**

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

## **SUBSEQUENT EVENTS**

### **The State-owned Enterprises (Governance & Operations) Act, 2023**

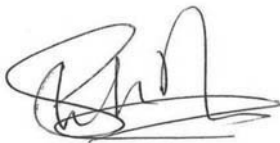
GoP has approved The State-Owned Enterprises (Governance and Operations) Act, 2023, recently promulgated with immediate effect. The Act provides guidance for governance and operation of the management and financial efficiency of SOEs.

## **Dividend**

The Board of Directors in its meeting held on February 27, 2023, has approved interim cash dividend @ 10% amounting to Rs 2,720.973 million and Rs 0.010 million on the paid-up value of ordinary share capital and convertible preference share capital, respectively.

## **ACKNOWLEDGEMENT**

We would like to thank all stakeholders including GoP for their trust and confidence, which has enabled us to remain on track in the achievement of our strategic objectives. The Company is continuing to do well and is geared up to tackle the evolving circumstances as they come. We would also like to take this opportunity to appreciate our employees for their perseverance and commitment to deliver despite challenges.



**DIRECTOR**



**MANAGING DIRECTOR /  
CHIEF EXECUTIVE OFFICER**

**Karachi: February 27, 2023**



## صنعتی تعلقات

کمپنی کے تمام شعبوں میں سازگار کام کا ماحول اور خوشگوار صنعتی تعلقات قائم ہیں۔

بعد میں پیش آنے والے واقعات

ریاستی ملکیتی انٹرپرائزز (گورننس اینڈ آپریشنز) ایکٹ، 2023

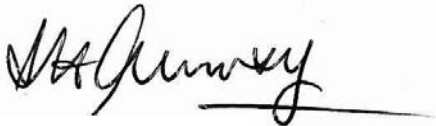
حکومت پاکستان نے ریاستی ملکیتی انٹرپرائزز (گورننس اینڈ آپریشنز) ایکٹ، 2023 کی منظوری دی ہے، جسے حال ہی میں فوری طور پر نافذ کیا گیا ہے۔ یہ ایکٹ SOEs کے انتظام اور مالی کارکردگی کے نظم و نسق اور انتظامات کے لیے رہنمائی فراہم کرتا ہے۔

## منافع منقسمہ

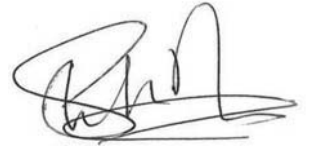
کمپنی کے بورڈ آف ڈائریکٹرز نے اپنے اجلاس منعقدہ 27 فروری 2023 میں 10 فیصد عبوری منافع منقسمہ کی ادا شدہ عمومی شیئر کیپیٹل پر 2,720.973 ملین روپے اور تبدیل پریئرٹی شیئر پر 0.010 ملین روپے کے لحاظ سے منظوری دی ہے۔

## اعتراف

ہم تمام شراکت دار بالخصوص حکومت پاکستان کے اعتماد اور یقین کے لیے شکرگزار ہیں، جس نے ہمیں اپنے حکمت عملی مقاصد کے حصول کی راہ پر گامزن رہنے کے قابل بنایا ہے۔ کمپنی مسلسل بہترین کارکردگی کا مظاہرہ کر رہی ہے اور پیش آنے والے حالات سے نمٹنے کے لیے تیار ہے۔ ہم اس موقع کا فائدہ اٹھاتے ہوئے اپنے ملازمین کی استقامت اور لگن کیلئے ان کے مشکور ہیں جس کی بدولت انہوں نے مشکل حالات کے باوجود بھرپور کارکردگی کا مظاہرہ کیا۔



مینیجنگ ڈائریکٹر/چیف ایگزیکٹو آفیسر



ڈائریکٹر

کراچی: 27 فروری 2023

سیلاب سے متاثرہ پلانٹ کے آلات کو صاف کرنے اور رابطہ سڑک اور فلیکس سسٹم کی ضروری مرمت کے بعد PPLE کے زیارت بلاک میں، بولان ایسٹ-1 سے ابتدائی پیداوار 19 اکتوبر 2022ء کو دوبارہ شروع کر دی گئی۔

### انٹرنل ریسک مینجمنٹ فریم ورک

ریسک اور اس کی تحقیق کے حوالے سے نامزد عملے کے ساتھ ریسک پر توجہ مرکوز کرنے کے سیشن منعقد کیے گئے جس کے بعد سالانہ ریسک مینجمنٹ جائزہ کانفرنس کا انعقاد ہوا۔ سال 2022-23 کے لیے تمام خطرات کے لیے تخفیف کے منصوبوں پر مشتمل ریسک کارڈز جاری کیے گئے ہیں۔ اس مدت کے دوران، پانچ سالہ منصوبہ 2022-27 کے لیے ترجیحی ریسک کا تخمینہ بھی لگایا گیا۔

### کاروباری سماجی ذمہ داری

پی پی ایل نے ملک بھر میں اپنے پیداواری اور دریافتی شعبوں میں تعلیم کے فروغ اور پسماندہ آبادیوں کی بہتری کے لیے کام جاری ہے اور اس سلسلے میں (i) تین تعلیمی بلاکس میں تین اسکولوں کی عمارتوں اور دیگر تعمیراتی کاموں کی تعمیر مکمل کی (ii) طلباء کو اعلیٰ پیشہ وارانہ تعلیمی وظائف پر ڈگریوں کے تحت 15 وظائف جاری کئے (iii) سٹشسی توانائی پر مشتمل چھ ریورس اوسموس (RO) پلانٹس اور دو سٹشسی توانائی پر مشتمل پانی کی فراہمی کی اسکیموں کی تنصیب مکمل کی اور (iv) ایک پانی کا کنواں کھود کر تیار کیا گیا۔

مزید برآں، پبلک ویلفیئر ہسپتال، سوئی نے دانتوں کے امراض، زچہ و بچہ، تشخیصی اور ایمرجنسی سروسز بشمول مفت ادویات اور مریضوں کے کھانے کی سہولیات کی فراہمی جاری رکھی، جس سے ضلع ڈیرہ بگٹی کے 30,000 سے زائد مریض مستفید ہوئے۔ مزید برآں، کمپنی نے کندھ کوٹ، گمبٹ ساؤتھ، مزارانی، ڈھوک سلطان اور آدھی فیلڈ کے قریب پبلک ڈسپنری مستالہ میں موبائل میڈیکل یونٹس کا آپریشن جاری رکھے۔ علاوہ ازیں، کمپنی کے پیداواری علاقوں کے گرد و نواح میں مقیم آبادی کے لیے مفت سرجیکل آئی کیو پ کا انعقاد کیا گیا اور 17,000 سے زیادہ آنکھوں کے مریضوں کو سہولت فراہم کی گئی۔

### معیار، صحت، تحفظ اور ماحول (QHSE)

اس عرصے کے دوران، تمام عملے کے لئے QHSE کی آگاہی کو بڑھانے کے لیے معلومات کی فراہمی کا انعقاد کیا گیا۔ متعدد ابتدائی ماحولیاتی تشخیص (IEE) کے مطالعے کیے گئے اور کمپنی کے اسٹریٹجک ترقیاتی کام کے پروگرام کی مکمل حمایت کرنے کے لیے ماحولیاتی تحفظ کی ایجنسیوں سے NOCs حاصل کئے گئے تاکہ کمپنی کے ترجیحی مقاصد کو پورا کیا جاسکے۔ مزید، QHSE کے داخلی اور بیرونی انتظامی نظام کے آڈٹ پورے کمپنی میں کیے گئے، جبکہ پائیدار رپورٹنگ (SR) ماڈیول کو مختلف فیلڈز میں نافذ کیا گیا۔

اس کے علاوہ، دسمبر 2022 کے اختتام تک 7.62 ملین محفوظ انسانی گھنٹے (بشمول ٹھیکیداروں) کے مکمل کیے گئے۔

### انسانی وسائل

کمپنی کے کاروباری تقاضوں کے مطابق، عملے کی صلاحیتوں میں اضافے اور کام کی صلاحیتوں کو بہتر بنانے کے لیے موثر تربیتی پروگراموں کے ذریعے ان کی مہارتوں اور قابلیت کو فروغ دیا جا رہا ہے۔

مزید برآں، بیرونی مشیروں کے ذریعے کی جانے والی ملازمت کی تشخیص اور ادارے کی تنظیم نو کی مشق کے نتیجے میں، انتظامیہ نے کمپنی کی تنظیم نو کو کامیابی سے لاگو کیا ہے تاکہ اسے کاروباری ترقی اور عصری بہترین طریقوں سے ہم آہنگ کیا جاسکے۔

## گمبٹ ساؤتھ

خافر-GPF-III (کی بحالی) کے حوالے سے، کمپنی قانونی چارہ جوئی کو دور کرنے کے لیے بھرپور طریقے سے کوشش کی جا رہی ہے تاکہ سائٹ کی تعمیر کے کام کا جلد از جلد آغاز کیا جاسکے۔ گمبٹ ساؤتھ GPF-IV کمپریشن پروجیکٹ کے سلسلے میں، کمپریسر سائٹ پر پہنچ چکے ہیں۔ تاہم، ٹھیکیدار کی جانب سے پیش کردہ ماورائے تدبیر اقدامات نوٹس کی وجہ سے سائٹ کی تعمیراتی سرگرمیاں تاخیر کا شکار ہوئی ہیں، جس پر غور کیا جا رہا ہے۔

مزید برآں، کنوئیں شاہ پور چاکرنا تھ 1-X میں نئی دریافت کے سلسلے میں ایکسٹینڈ ویل ٹیسٹنگ (EWT) اور گیس اور کنڈنسیٹ ایلوکیشن کے لیے درخواستیں حکومت پاکستان کو جمع کر دی گئی ہیں۔ 2023-24 کی پہلی سہ ماہی میں دریافت سے پہلی گیس کے حصول کے آغاز کی منصوبہ بندی کی گئی ہے۔

## ہالا

پیداواری کنوئیں آدم-2 کی کھدائی کی تیاریاں جاری ہیں۔ سائٹ کی تعمیر کے کام کے لیے ٹینڈر کا عمل جاری ہے اور رواں سال کی چوتھی سہ ماہی کے دوران کنوئیں کی کھدائی شروع کرنے کا منصوبہ ہے۔

## ڈھوک سلطان

ڈھوک سلطان آئل ہینڈلنگ اور کنڈنسیٹ اسٹیبلائزیشن کی سہولت یومیہ 1,700~ بیرل تیل، یومیہ 3~ ایم ایم ایس سی ایف گیس اور یومیہ 15~ ایم ٹی LPG کی پیداواری شرح دے رہی ہے۔

## بولان مائننگ انٹراپرائز (BME)

بیریت، لیڈ اور زنک منصوبے کے حوالے سے، ای پی سی سی معاہدے کو ایوارڈ کرنے کے لیے حکومت بلوچستان سے قانونی منظوری کے منتظر ہیں۔

## پارٹنر آپریٹڈ کے تحت چلنے والے اثاثے

ٹل میں پیداواری کنوئیں تولج ویسٹ-2 کو پیداواری سلسلے سے جوڑنے کے بعد پیداوار کا آغاز کر دیا گیا۔

مزید برآں، جیسا کہ مالیاتی گوشوارے کے نوٹ 5.1.2 میں درج کیا گیا ہے، گذشتہ سہ ماہی کے دوران ٹل میں واقع ایک گودام میں آگ لگنے کا واقعہ پیش آیا۔ فیلڈ کے آپریٹر کی طرف سے تباہ شدہ اشیاء کے تفصیلی تشخیص کی بنیاد پر، انتظامی اثاثوں اور کیپٹل اسٹورز سے متعلق اشیاء کے رائٹ آف پر 770 ملین روپے کے نقصان کو اس مدت کے دوران تسلیم کیا گیا ہے۔ خوش قسمتی سے اس واقعے کے نتیجے میں کوئی جانی نقصان نہیں ہوا اور نہ ہی فیلڈ سے پیداوار منقطع ہوئی۔

لطیف میں، پیداواری کنوئیں لطیف-21 گیس کے پیداوار کنندہ کے طور پر کامیابی سے مکمل ہو چکا ہے۔ کنوئیں کو پیداواری سلسلے سے جوڑنے کے بعد اس سے پیداوار کا آغاز کیا گیا ہے۔

نچا میں پیداواری کنوئیں میلہ-8 کی کھدائی مکمل ہو چکی ہے اور فی الحال رگ کے بغیر ٹیسٹنگ جاری ہے جبکہ پیداواری کنوئیں نچا-11 کی کھدائی کا کام جاری ہے۔

پیداواری کنوئیں رزق-4 (کی تھر) اور میانو-26 (میانو) سے پیداوار کا آغاز کر دیا گیا ہے۔



## پی پی ایل ایشیا کا دریافتی بلاک - مکمل ملکیتی ذیلی ادارہ

عراق کے بلاک -8 میں، دریافتی لائسنس کی مدت ختم ہونے کے بعد دریافتی کنونین مدائن-1 کی ویل سائٹ دسمبر 2022ء کے دوسرے ہفتے کے دوران وزارت عراق کے نمائندوں کے حوالے کر دی گئی۔ عراق برانچ کو ختم کرنے کی سرگرمیاں بشمول معاہدوں اور دعووں کا تصفیہ جاری ہیں۔

## آف شور بلاک 5- ابوظہبی

گہرائی میں 3D سائز مک سرگرمیاں جاری ہے، جبکہ تشخیص اور دریافتی مہم سے متعلق مختلف جی اینڈ جی اسٹڈیز خطرات کو کم کرنے اور بلاک کی صلاحیت کا جائزہ زیر عمل ہے۔ 2023 کے دوران تجزیاتی کنوؤں کی کھدائی کے لیے پہلے سے ضروری انتظامات جاری ہیں، جن میں طویل مدتی اشیاء کا انتظام، ڈرلنگ سے منسلک خدمات اور جیک۔ اپ رگ کی خدمات حاصل کرنا شامل ہیں۔

## پیداواری شعبہ

### سوئی

کنوؤں سوئی - (M) 7 اور سوئی - (M) 96 میں پیداوار کو بہتر بنانے کی سرگرمیاں یعنی اضافی کھدائی اور تیزاب کاری کو محرک کیا گیا، جس کے نتیجے میں 3 MMscfd اضافی گیس حاصل ہوئی۔ مزید برآں، کمپنی کی اپنی تحقیق کی بنیاد پر ڈیولپمنٹ کنونین سوئی 115 کو پمپ کے مقام پر مکمل کیا گیا۔ فی الحال، سائٹ کی تعمیر کا کام جاری ہے اور توقع ہے کہ فروری 2023 کے دوران کنونین کی کھدائی شروع ہو جائے گی۔

مزید برآں، پیوریفیکیشن پلانٹ اور گیس کمپریشن اسٹیشن پر دیکھ بھال اور اعتماد میں وسعت کی سرگرمیاں شروع کی گئیں، جن میں کمپریشنر ٹرینوں کی بڑی اور ہالنگ، معائنہ، اور گیس ٹرینز، گیس جنٹس، بینکوں اور گیس ڈی ہائیڈریشن یونٹس کی حفاظتی دیکھ بھال شامل ہے۔

## کندھ کوٹ

حکومت پاکستان نے پیٹرولیم ایکسپلوریشن اینڈ پروڈکشن رولز 2013 کے قاعدہ 30A کے تحت کندھ کوٹ مین مائننگ لیز پر 15 جنوری 2022 سے پندرہ (15) سال کی مدت کے لیے ڈیولپمنٹ اور پروڈکشن لیز دی ہے۔

مزید برآں، پاور جنریشن سسٹم، سپریشن ٹینک اور پائپ لائن نیٹ ورکس میں دیکھ بھال اور معاونت کی سرگرمیاں انجام دی گئیں، جن میں کمنز جنیسیٹ - اے کی بڑی اور ہالنگ، کنڈینسیٹ سپریشن ٹینکوں کی اندرونی صفائی اور معائنہ اور زیر زمین پائپ لائن نیٹ ورک کا جائزہ شامل ہے۔ مزید برآں، سیلاب سے متاثرہ علاقوں میں آپریشنل گاڑیوں کی ہموار نقل و حرکت کے لیے راستوں پر سیلاب کی بحالی کا کام آغاز کر دیا گیا ہے۔

اس مدت کے دوران، صارف یعنی GENCO-II کو گیس کی فروخت اوسطاً یومیہ 156~ ایم ایم ایس سی ایف کے قریب رہی۔

## آدہی

آدہی ساؤتھ -3 کی فریکچرنگ کا کام مکمل ہو گیا ہے جس کے نتیجے میں یومیہ 1~ ایم ایم ایس سی ایف گیس کے ساتھ یومیہ 1,000~ بیرل تیل حاصل ہوا، جبکہ آدہی ساؤتھ -5 کا سائینڈریک آپریشن جاری ہے۔ مزید برآں، مدت کے اختتام کے بعد پیداواری کنونین آدہی -35 کی کھدائی کا آغاز ہو چکا ہے جبکہ پانی کے نکاسی کے لیے کنونین کی تعمیر کا کام جاری ہے۔

## معدنیات کی دریافت

معدنیات کی تلاش کے نئے لائسنس کے لیے بلوچستان منرل ریسورسز لمیٹڈ (BMRL) کے پاس بولی جمع کرائی گئی ہے۔ بولی کے نتائج کا انتظار ہے۔

کمپنی نے، آئل اینڈ گیس ڈیولپمنٹ کمپنی لمیٹڈ اور گورنمنٹ ہولڈنگز (پرائیویٹ) لمیٹڈ کے ساتھ، مجموعی طور پر ریاستی ملکیت والے اداروں (SOEs) نے 15 دسمبر 2022 کو دوبارہ تشکیل شدہ ریکوڈ ایک منصوبے میں SOEs کی شرکت کے حوالے سے حتمی معاہدوں پر دستخط کیے۔ حتمی معاہدوں کے مطابق، کمپنی نے دیگر SOEs کے ساتھ، پاکستان منرلز (پرائیویٹ) لمیٹڈ (PMPL) کے ذریعے پروجیکٹ کمپنی، یعنی ریکوڈ ایک مائننگ کمپنی (پرائیویٹ) لمیٹڈ (RDML) میں سرمایہ کاری کی ہے۔ طے شدہ معاہدوں کے تحت عمل درآمد کے منصوبے کے ایک حصے کے طور پر PMPL نے سود کے حامل ایسکر وا کاؤنٹ میں رقم کو استعمال کرتے ہوئے منصوبے میں 25 فیصد حصہ حاصل کیا جس کی کل رقم 583.7 ملین امریکی ڈالر تھی۔ PMPL آف شور ہولڈنگ کمپنیوں یعنی Reko ریکوڈ ایک ہولڈنگز لمیٹڈ اور ریکوڈ ایک انوسٹمنٹس (جسے بعد میں Holdcos کہا گیا) کے ذریعے RDML میں بالواسطہ طور پر کام کرنے کی دلچسپی رکھتی ہے۔ RDML کمپنی کو پاکستان میں رجسٹرڈ کیا گیا ہے اور Holdcos کو بیلی وک آف جرسی میں تشکیل دیا گیا ہے۔ پی ایم پی ایل میں کمپنی کی حصہ داری 33.33 فیصد ہے جبکہ RDML میں اس کی شراکت 8.33 فیصد ہے۔ SOEs کو PMPL کے ذریعے Holdcos اور RDML کے بورڈز میں نمائندگی حاصل کرنے کا حق حاصل ہے۔

مندرجہ بالا اقدامات کی تکمیل سے قبل، کمپنی نے 30 نومبر 2022 کو حصص یافتگان کا ایک غیر معمولی اجلاس عام منعقد کیا اور برابری کے ذریعے منصوبے میں شرکت کے لیے حصص یافتگان کی منظوری حاصل کی۔ مزید برآں دسمبر 2022، کی ابتداء میں، سپریم کورٹ آف پاکستان نے ایک مختصر حکم جاری کیا اور منصوبے کی تشکیل نو کے حق میں فیصلہ دیا۔

مشترکہ منصوبوں کے معاہدے کے تحت، کمپنی نے منصوبے کے پہلے مرحلے کے فیز-1 کی فنڈنگ کے لیے، افراط زر سے مطابقت کے لیے 398 ملین امریکی ڈالر دینے کا عہد کیا گیا۔ اس عزم کا ایک حصہ پروجیکٹ میں سرمایہ کاری کے ذریعے پورا ہونے کی امید ہے۔ اس کے علاوہ، کمپنی نے PMPL کے انتظامی اخراجات میں اپنے متناسب حصہ کے لیے، ایکویٹی کے ذریعے، ہر سال 1 ملین امریکی ڈالر تک کا تعاون دینے کا عہد کیا ہے۔ مزید برآں، کمپنی نے طے شدہ معاہدوں کے تحت کمپنی کی ذمہ داریوں کو پورا کرنے کے لیے متعدد کارپوریٹ ضمانت فراہم کی ہے۔

## پائزر آپریٹس کے تحت چلنے والے دریافتی بلاکس

کیرتھر بلاک میں، 5 دسمبر 2022 کو دریافتی کنونین ریان-1 کی کھدائی کا آغاز کیا گیا تھا اور تا حال کھدائی جاری ہے۔ لطیف بلاک میں 23 نومبر 2022 کو دریافتی کنونین جگن-2 کی کھدائی شروع کی گئی اور اس وقت کھدائی جاری ہے۔ لطیف بلاک میں متھراؤ-1 اور کوٹھری ناتھ بلاک میں خانوٹ-1 کے دریافتی کنوؤں کو خشک کنوئیں کے طور پر نفع یا نقصان کے کھاتے میں شامل کر لیا گیا۔

## پی پی ایل یورپ کے دریافتی بلاکس۔ مکمل ملکیتی ماتحت ادارہ

زیارت بلاک میں، مجموعی طور پر 228 مربع کلومیٹر کا احاطہ کرتے ہوئے 3D سائز مک ڈیٹا کا حصول مکمل ہو چکا ہے، جبکہ 2D سائز مک ڈیٹا کے حصول کے لیے تیاریاں جاری ہیں۔ فی الحال، زمینی الیکٹرانکس اور مکینیکل آلات کی دیکھ بھال/ جانچ جاری ہے۔

ہرنائی بلاک میں ماحولیاتی اثرات کی تشخیص (EIA) کی تحقیق جاری ہے تاکہ ماحولیاتی طور پر محفوظ علاقے میں دریافتی سرگرمیاں انجام دی جاسکیں۔ مزید برآں، سروے کے علاقے کے مشرقی حصے میں سیکورٹی کی منفی صورتحال کے باعث کشش ثقل/مقتناطیسی ڈیٹا کے حصول کے لئے معاہدے کو ایوارڈ کرنے میں تاخیر ہوئی ہے۔

## داخلی دریافتی اثاثے

گمبٹ ساؤتھ بلاک میں شاہ پور چاکر ناتھ X-1 کے دریافتی کنونین سے گیس اور کنڈنسیٹ کی دریافت کا اعلان کر دیا گیا۔ لوئر گورڈ کی تشکیل کی ابتدائی جانچ کی بنیاد پر، کنونین سے یومیہ 15.2 ایم ایم ایس سی ایف کی شرح سے گیس حاصل ہوئی جس کے ساتھ 321 بی بی ایل یومیہ کنڈنسیٹ تھا۔ مزید برآں، دریافتی کنونین حاتم X-1 اور فیض X-1 کو آمدنی کے بہت کم امکانات کی بناء پر نفع یا نقصان کے کھاتے میں ڈال دیا گیا ہے۔

سیرانی بلاک میں ڈولفن X-1 دریافتی کنونین کی کھدائی کے لیے تیاریاں جاری ہیں۔

صورہ بلاک میں، 331 مربع کلومیٹر کے 3D سائز مک ڈیٹا کا حصول جاری ہے، جب کہ کوٹری بلاک میں ذخائر کی خصوصیت اور سائز مک انورژن تحقیق مکمل ہو چکی ہے۔

حصال بلاک میں 108 مربع کلومیٹر کے 3D سائز مک ڈیٹا کا حصول جاری ہے، جب کہ پنجاب بلاک میں 2D سائز مک ڈیٹا حاصل کرنے کیلئے سائز مک عملے کو متحرک کرنا جاری ہے۔

## سرحدی دریافتی اثاثے

خاران ایسٹ اور نوشیروانی بلاکس میں 2D سائز مک ڈیٹا کا حصول بالترتیب 200~ لائن کلومیٹر اور 100~ لائن کلومیٹر کی مجموعی حدود کے ساتھ مکمل ہو چکا ہے، جبکہ موسی خیل بلاک میں 2D سائز مک ڈیٹا کا حصول جاری ہے۔

مارگنڈ بلاک میں 200~ لائن کلومیٹر 2D سائز مک ڈیٹا حاصل کرنے کی تیاریاں جاری ہیں۔

باسکہ بلاک میں پہلے دریافتی کنونین دراگ X-1 کی کھدائی کی تیاریاں جاری ہیں اور قلات بلاک میں تیسرے دریافتی کنونین مراد X-1 کی کھدائی کے لئے تعمیراتی کام جاری ہے۔

## بیرون ملک اور بنیادی کاروباری ترقی (اور سیز اور کورپوریشن ڈیولپمنٹ)

اپنی کاروباری حکمت عملی کے حوالے سے کمپنی باقاعدگی سے اپنے بلاکس میں شراکت کے حصول کے لئے اس میں شراکت داروں کو شامل کرنے اور اپنے دریافتی پروگرام کو مزید وسعت دینے اور بہتر بنانے کے لئے خطرات/رسک کا اندازہ لگاتے ہوئے، اسکاؤٹنگ سمیت بیرون ملک نئے مواقع کا جائزہ لیتی ہے۔

اس مدت کے دوران، حکومت پاکستان نے جولائی 2022 میں بولی کے دوسرے مرحلے میں مسابقتی بولی کے لیے کل آٹھ بلاکس کی پیشکش کی، جہاں کمپنی نے چار بلاکس کے لیے مشترکہ بولی جمع کرائی۔ اکتوبر 2022 میں کمپنی کی چاروں بولیوں کو کامیاب قرار دیا گیا ہے اور GoP نے کمپنی کو عارضی طور پر مندرجہ ذیل بلاکس دیئے ہیں:

بلاکس	صوبہ	آپریشن	کام کرنے کی دلچسپی
شیدگا لو	بلوچستان	پی پی ایل	پی پی ایل (40 فیصد)، ایم پی سی ایل (30 فیصد)، اوجی ڈی سی ایل (30 فیصد)
جنوبی پشین	بلوچستان	ایم پی سی ایل	پی پی ایل (35 فیصد)، ایم پی سی ایل (37 فیصد)، اوجی ڈی سی ایل (28 فیصد)
تنیشپا	بلوچستان	اوجی ڈی سی ایل	پی پی ایل (35 فیصد)، ایم پی سی ایل (28 فیصد)، اوجی ڈی سی ایل (37 فیصد)
لگئی	بلوچستان	اوجی ڈی سی ایل	پی پی ایل (30 فیصد)، ایم پی سی ایل (30 فیصد)، اوجی ڈی سی ایل (40 فیصد)

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

### درپیش بڑے اقتصادی مسائل اور کمپنی کی کارکردگی/آپریشنز پر اس کے اثرات

دسمبر 2022 کو ختم ہونے والی ششماہی کے دوران، ملک نے غیر معمولی اقتصادی صورتحال اور مسائل کا سامنا کیا۔ جس میں امریکی ڈالر کے مقابلے روپے میں تیزی سے ہونے والی کمی، ملکی زرمبادلہ کے ذخائر میں نمایاں کمی، ایشیا کی درآمد پر پابندیاں، سی پی آئی ریکارڈ بلند سطح پر، اسٹیٹ بینک کی جانب سے پالیسی ریٹ میں اضافہ، بڑے پیمانے پر سیلاب کی وجہ سے معاشی نقصان اور بحالی کے مسائل، درآمدات سے چلنے والی صنعتوں کی بندش، یا خام تیل اور اجناس کی قیمتوں میں اضافہ قابل ذکر ہیں۔

مذکورہ بالا مسائل کی وجہ سے، کمپنی کو اسپیر پارٹس/متبادل حصے اور دیگر آلات کی درآمد میں دشواری کا سامنا کرنا پڑا۔ اگرچہ تیل کی اضافی قیمتوں اور شرح مبادلہ کا کمپنی کے منافع پر مثبت اثر پڑتا ہے، تاہم فروخت کی وصولی اس تناسب سے نہیں بڑھی کیونکہ گیس کی تقسیم کار کمپنیاں قیمتوں میں اضافے کی صارفین سے وصولی میں قاصر رہیں۔ جس کی بناء پر گردشی قرضے میں مزید 65 ارب روپے کا اضافہ ہوا۔ دوسری جانب، کمپنی کو اپنی آمدنی پر، وصولی سے قبل ہی، قانونی ٹیکس اور محصولات ادا کرنا ضروری ہیں، جو کمپنی کی سیالیت کو مزید بری طرح متاثر کرتی ہے۔

### ایوارڈز برائے سالانہ رپورٹ 2021

کمپنی کی سالانہ رپورٹ 2021 کو درج ذیل دو ایوارڈز سے نوازا گیا ہے:

- بہترین کاروباری اور پاسیڈاری رپورٹ ایوارڈز میں ایندھن اور توانائی کے زمرے میں دوسری پوزیشن حاصل کی۔ اس تقریب کا اہتمام انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان اور انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان نے مشترکہ طور پر 27 ستمبر 2022 کو کراچی، پاکستان میں انعقاد کیا تھا۔
- 18 دسمبر 2022 کو کھٹمنڈو، نیپال میں ساؤتھ ایشین فیڈریشن آف اکاؤنٹنٹس کے زیر اہتمام بہترین پیش کردہ سالانہ رپورٹ ایوارڈز میں عوامی شعبے میں اداروں کے زمرے میں مشترکہ براؤنز ایوارڈ حاصل کیا۔

### اہم امور

#### دریافت

اس وقت، کمپنی کا دریافتی پروگرام، اس کے ذیلی اور معاون اداروں کے ساتھ مل کر 46 دریافتی بلاکس پر مشتمل ہے، جن میں سے 28 آپریٹڈ ہیں (بشمول پاکستان اور ابوظہبی میں سے ہر ایک میں آف شور بلاک، جس میں سے بلاک-8، ابوظہبی میں پاکستان انٹرنیشنل آئل لمیٹڈ کے زیر انتظام ہے اور یمن میں ایک آف شور بلاک سمیت 18 شراکت میں پارٹنر ہیں۔ اس کے علاوہ، 1 آپریٹڈ بلاک اور تین 3 پارٹنر آپریٹڈ بلاکس کمپنی کو حکومت پاکستان (GoP) نے عارضی طور پر دیے ہیں۔ مزید برآں، موجودہ دورانیے میں کمپنی کی تنظیم نو کے نتیجے میں دریافتی اثاثے کی دریافتی اور بنیادی کاروباری نمو (Exploration & Business Development) کے طور پر تشکیل نو کی گئی ہے اور اسے (i) ادغلی دریافت (ایکسپلوریشن ڈومیسٹک) (ii) سرحدی دریافتی (ایکسپلوریشن فرنٹیئر) (iii) بیرون ملک اور بنیادی کاروباری ترقی (اور سیز اور کور بزنس ڈیولپمنٹ) (iv) معدنیاتی وسائل اور (v) زیریں سطحی ٹیکنالوجی اور معاونتی سہولیات میں تقسیم کیا گیا ہے۔ اہم دریافتی سرگرمیوں پر تفصیل درج ذیل ہیں:

## فروخت آمدن

موجودہ مدت کے دوران گزشتہ مدت کے مقابلے میں فروخت آمدن میں 48,129 ملین روپے کا اضافہ ہوا۔ یہ اضافہ قیمت کے مثبت تغیر (بشمول زرمبادلہ کی شرح میں تبدیلی) کی وجہ سے ہوا ہے جو 46,222 ملین روپے ہے ساتھ ہی حجم کا مثبت تغیر 1,907 ملین روپے رہا۔

قیمتوں میں مثبت تغیر کی وجہ خام تیل کی اوسط بین الاقوامی قیمتوں میں ہونے والا اضافہ ہے جو کہ گزشتہ مدت میں 175.71 امریکی ڈالر فی بیرل کے مقابلے میں موجودہ مدت کے دوران 94.87 امریکی ڈالر فی بیرل ہو گیا۔ ساتھ ہی یہ اضافہ پاکستانی روپے کی قدر میں کمی کی وجہ سے بھی ہے (موجودہ عرصے کے دوران اوسط شرح مبادلہ 223.81 روپے رہی جو کہ تقابلی عرصے کے دوران 169.63 روپے تھی)۔

بنیادی طور پر مثبت حجم کا تغیر ڈھوک سلطان، کندھ کوٹ اور لطیف کی فیلڈز سے منسوب ہے، جو جزوی طور پر سوئی ٹیل، ناشپا، آدھی اور شاہ بندر کی فیلڈز سے کم پیداواری حجم نے زائل کیا۔

پی پی ایل آپریٹنگ اوپارٹس آف فیلڈز سے ہائیڈروکاربن کی فروخت کے حجم میں کمپنی کے حصے کا تقابلی جائزہ ذیل میں دیا گیا ہے:

ششماہی کا اختتام 31 دسمبر 2021	ششماہی کا اختتام 31 دسمبر 2022	یونٹ	
109,262	117,641	ایم ایم ایس سی ایف	قدرتی گیس
2,313,693	2,281,744	بیرل	خام تیل/قدرتی گیس مائع (این جی ایل)/کنڈنسیٹ
57,744	59,976	ٹن	مائع پیٹرولیم گیس (ایل پی جی)
45,568	37,204	ٹن	بیرائٹس

## منافع

تقابلی مدت کے مقابلے میں منافع میں 54 فیصد سے زائد اضافہ ہوا۔ اہم محرکات میں فروخت آمدن میں اضافہ ہے (جیسا کہ اوپر بیان کیا گیا ہے)، جسے جزوی طور پر زیادہ آپریٹنگ اخراجات ٹیکس، رائٹیز اور دیگر لیویز اور اخراجات نے زائل کیا ہے۔

آپریٹنگ اخراجات میں اضافہ وقت کے ساتھ کمپنی کے اثاثوں کی قیمتوں میں ہونے والی زائد کی اور کنوؤں پر ہونے والی سرگرمیوں کی وجہ سے ہوا ہے، جبکہ ٹیکس میں اضافہ بنیادی طور پر گزشتہ مدت کے مقابلے میں منافع میں اضافہ اور 4 فیصد کی شرح سے سپرائیکس کے نفاذ کی وجہ سے ہوا، جبکہ رائٹیز اور دیگر محصولات میں اضافہ مدت کے دوران فروخت آمدن میں اضافے کی وجہ سے ہوا ہے۔

مزید برآں، دیگر اخراجات میں اضافہ زیادہ تر موجودہ مدت میں تیل اور ڈیلیوری پی ایف کی قیمتوں پر وینڈ فال لیوی (محصول) کے بڑھنے کی وجہ سے ہوا۔

## لیویڈیٹی کے انتظامات اور کیش فلوکس کی صورتحال

زیر جائزہ مدت کے دوران گزشتہ دورانیے کے مقابلے میں صارفین سے مجموعی طور پر وصولیوں میں بہتری آئی تاہم، سیلز ریونیو بڑھنے کی وجہ سے تجارتی قرضوں میں 18 فیصد اضافہ ہوا، جو کہ 31 دسمبر 2022 کو 30 جون 2022 کے 366 بلین روپے کے مقابلے میں 431 بلین روپے رہا۔ چنانچہ، گردش قرض کو کمپنی کی حکمت عملی مقاصد کے حصول میں ایک اہم خطرہ سمجھا جاتا رہا ہے۔ کمپنی تمام شراکت داروں بشمول متعلقہ وزارتوں کے ساتھ قلیل مدتی کیش فلوکس ضروریات کو پورا کرنے کے لیے عارضی ریلیف کے



## ڈائریکٹرز کا عبوری جائزہ

آپ کے ڈائریکٹرز 31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لیے غیر آڈیٹ شدہ مجمع عبوری مالیاتی گوشوارے اور کمپنی کے امور کا ایک مختصر جائزہ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

## آپریٹنگ اور مالیاتی جھلکیاں

### انتظامی جھلکیاں

31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے اہم امور کی جھلکیاں حسب ذیل ہیں:

### دریافتیں

شہنواہی سمناسوک اور لاک ہارٹ فارمیشنز میں دو دریافتیں پارٹنر آپریٹڈ ٹل بلاک میں کی گئی ہیں، جبکہ پی پی ایل سے آپریٹڈ گمبٹ ساؤتھ بلاک میں دریافتی کنونٹس شاہ پور چاکر نارٹھ X-1 سے ایک دریافت ہوئی ہے۔

### کھدائی کی سرگرمیاں

اس عرصے کے دوران پی پی ایل آپریٹڈ بلاک میں ایک دریافتی کنواں کھودا گیا۔

اس عرصے کے دوران پارٹنر آپریٹڈ اثاثوں میں تین کنونٹس کھودے گئے: دو دریافتی اور ایک پیداواری کنواں

### ارضی طبعی سروے

پی پی ایل آپریٹڈ بلاکس میں موجود مدت کے دوران ~439 مربع کلومیٹر کا 3D سائز مک ڈیٹا اور ~368 لائن کلومیٹر کا 2D سائز مک ڈیٹا حاصل کیا گیا۔

پی پی ایل یورپ کے زیر انتظام پارٹنر یارت بلاک میں اس عرصے کے دوران ~228 مربع کلومیٹر کا 3D سائز مک ڈیٹا حاصل کیا گیا۔

### مالیاتی جھلکیاں

31 دسمبر 2022ء کو ختم ہونے والی ششماہی کے لیے کمپنی کے اہم مالی نتائج درج ذیل ہیں:

ششماہی کا اختتام 31 دسمبر 2021	ششماہی کا اختتام 31 دسمبر 2022	
ملین روپے	ملین روپے	
89,528	137,657	فروخت آمدن (خالص)
45,350	78,282	قبل از ٹیکس منافع
(13,641)	(29,346)	ٹیکس
31,709	48,936	بعد از ٹیکس منافع
11.65	17.98	بنیادی اور تحلیل شدہ آمدن فی شیئر



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sixth Floor, State Life Building, Blue Area  
Islamabad, Pakistan  
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

## **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, 2022 and the related condensed unconsolidated interim statement of profit or loss, condensed unconsolidated interim statement of comprehensive income, condensed unconsolidated interim statement of cash flows, condensed unconsolidated interim statement of changes in equity, and notes to the condensed unconsolidated interim financial statements for the six-months period then ended (here-in-after referred to as the "Condensed Unconsolidated Interim Financial Statements"). Management is responsible for the preparation and presentation of these 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 are 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 7.2 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 for the three-month period ended 31 December 2022 and 2021 in the condensed unconsolidated interim statement of profit or loss and condensed unconsolidated interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditors' review report is Inam Ullah Kakra.

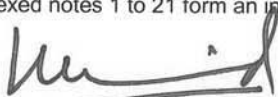
A handwritten signature in blue ink, appearing to read 'KPMG Taseer Hadi &amp; Co.' followed by a stylized signature.

KPMG Tasser Hadi & Co.  
Chartered Accountants  
Islamabad  
Date: 28 February 2023  
UDIN: RR202210202yORriJGLS

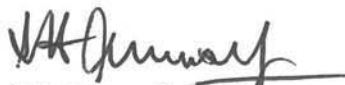
**PAKISTAN PETROLEUM LIMITED**  
**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2022**

	Note	December 31, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Property, plant and equipment	5	135,118,097	137,840,377
Intangible assets		81,046	113,116
		<u>135,199,143</u>	<u>137,953,493</u>
Long-term investments	6	44,030,285	5,975,953
Deposit with GoP for equity stake in Reko Diq	6.3	-	34,106,250
Long-term loans		81,030	61,689
Long-term deposits		7,676	7,676
		<u>179,318,134</u>	<u>178,105,061</u>
<b>CURRENT ASSETS</b>			
Stores and spares		5,543,779	5,495,842
Trade debts	7	431,383,201	365,791,716
Loans and advances		361,534	558,389
Trade deposits and short-term prepayments		799,855	287,196
Interest accrued		763,253	264,349
Current maturity of long-term loans		34,759	27,929
Current maturity of long-term deposits		1,683,750	1,505,250
Current maturity of long-term receivables		56,595	122,051
Other receivables		2,550,270	2,656,717
Short-term investments	8	67,396,161	66,407,345
Cash and bank balances		4,039,969	3,723,282
		<u>514,613,126</u>	<u>446,840,066</u>
<b>TOTAL ASSETS</b>		<u><b>693,931,260</b></u>	<u><b>624,945,127</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		27,209,836	27,209,836
Reserves		455,543,512	407,664,863
		<u>482,753,348</u>	<u>434,874,699</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for decommissioning obligation		37,467,683	32,650,443
Deferred liabilities		3,472,802	3,328,024
Deferred taxation - net		27,478,992	28,780,165
		<u>68,419,477</u>	<u>64,758,632</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	95,512,667	87,026,658
Unclaimed dividends		1,060,296	1,001,150
Current maturity of lease liabilities		1,266,381	1,434,170
Taxation - net		44,919,091	35,849,818
		<u>142,758,435</u>	<u>125,311,796</u>
<b>TOTAL LIABILITIES</b>		<u><b>211,177,912</b></u>	<u><b>190,070,428</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>693,931,260</b></u>	<u><b>624,945,127</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	10		

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

  
**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, 2022

	Note	Quarter ended December 31, 2022	Quarter ended December 31, 2021	Half year ended December 31, 2022	Half year ended December 31, 2021
(Rupees in thousand)					
Revenue from contracts with customers	11	65,045,791	46,374,109	137,656,542	89,527,719
Operating expenses	12	(12,014,218)	(9,318,200)	(23,489,874)	(19,483,947)
Royalties and other levies		(10,334,315)	(6,775,657)	(22,867,099)	(13,085,071)
		(22,348,533)	(16,093,857)	(46,356,973)	(32,569,018)
<b>Gross profit</b>		<b>42,697,258</b>	<b>30,280,252</b>	<b>91,299,569</b>	<b>56,958,701</b>
Exploration expenses	13	(7,526,649)	(3,677,036)	(9,006,623)	(8,395,750)
Administrative expenses		(599,246)	(1,047,906)	(1,790,200)	(1,918,738)
Finance costs		(367,448)	(300,850)	(704,704)	(585,028)
Reversal of provision for doubtful debts - net		-	-	-	41,929
Share of loss of associate	6.2	(100,714)	(2,374,341)	(136,449)	(2,374,350)
Other charges	14	(3,511,619)	(3,538,017)	(8,042,455)	(5,648,395)
		30,591,582	19,342,102	71,619,138	38,078,369
Other income	15	1,820,379	2,736,169	6,663,338	7,271,995
<b>Profit before taxation</b>		<b>32,411,961</b>	<b>22,078,271</b>	<b>78,282,476</b>	<b>45,350,364</b>
Taxation	16	(10,089,318)	(7,359,548)	(29,346,251)	(13,641,128)
<b>Profit after taxation</b>		<b>22,322,643</b>	<b>14,718,723</b>	<b>48,936,225</b>	<b>31,709,236</b>
<b>Basic and diluted earnings per share (Rs)</b>	18	<b>8.20</b>	<b>5.41</b>	<b>17.98</b>	<b>11.65</b>

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

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

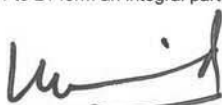
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PAKISTAN PETROLEUM LIMITED  
 CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
 FOR THE HALF YEAR ENDED DECEMBER 31, 2022

Note	Quarter ended December 31, 2022	Quarter ended December 31, 2021	Half year ended December 31, 2022	Half year ended December 31, 2021
----- (Rupees in thousand) -----				
Profit after taxation	22,322,643	14,718,723	48,936,225	31,709,236
Other comprehensive income / (loss):				
Items that will not be subsequently reclassified to profit or loss:				
Remeasurement gain / (loss) on defined benefit plans - net	3.2	-	-	-
Items that may be reclassified to profit or loss:				
Exchange differences on translation of foreign associate	(149,457)	212,235	302,916	212,235
Other comprehensive income for the period	(149,457)	212,235	302,916	212,235
<b>Total comprehensive income for the period</b>	<b>22,173,186</b>	<b>14,930,958</b>	<b>49,239,141</b>	<b>31,921,471</b>

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

  
 Chief Financial Officer

  
 Director

  
 Chief Executive Officer

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**PAKISTAN PETROLEUM LIMITED**  
**CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2022**

	Note	Half year ended December 31, 2022	Half year ended December 31, 2021
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		91,073,421	70,968,009
Receipts of other income		2,799,908	814,190
Payments to suppliers / service providers and employees - net		(24,732,830)	(18,655,743)
Payments of indirect taxes and Government levies including royalties		(38,016,814)	(28,673,175)
Income tax paid		(21,578,150)	(8,429,779)
Payment of decommissioning obligation		(65,302)	(128,189)
Finance costs paid		(105,811)	(1,201)
Long-term loans and others		(26,171)	(21,550)
Net cash generated from operating activities		<u>9,348,251</u>	<u>15,872,562</u>


**CASH FLOWS FROM INVESTING ACTIVITIES**

Capital expenditure	(7,186,117)	(8,652,388)
Proceeds from disposal of property, plant and equipment	13,535	21,056
Investments - net	876,967	(5,446,647)
Equity investment in PIOL	(2,181,000)	(4,161,250)
Long-term deposits	(178,500)	(59,143)
Equity investment in Reko Diq	(1,600,615)	-
Current maturity of long-term receivables	65,456	16,509
Finance income received	4,903,038	2,158,116
Net cash used in investing activities	<u>(5,287,236)</u>	<u>(16,123,747)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Payment of lease liabilities	(167,789)	(433)
Dividends paid	(1,301,346)	(5,148,017)
Net cash used in financing activities	<u>(1,469,135)</u>	<u>(5,148,450)</u>
Net increase / (decrease) in cash and cash equivalents	2,591,880	(5,399,635)
Cash and cash equivalents at beginning of the period	32,929,876	69,909,652
Cash and cash equivalents at end of the period	<u>17</u> <u>35,521,756</u>	<u>64,510,017</u>

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

  
**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, 2022

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves	Total reserves	Total
	Ordinary	Convertible preference				
(Rupees in thousand)						
Balance as at June 30, 2021 (Audited)	27,209,723	113	1,428	363,316,460	363,317,888	390,527,724
<b>Total comprehensive income for the period</b>						
Profit after taxation	-	-	-	31,709,236	31,709,236	31,709,236
Other comprehensive income for the half year ended December 31, 2021, net of tax	-	-	-	212,235	212,235	212,235
Total comprehensive income for the half year ended December 31, 2021	-	-	-	31,921,471	31,921,471	31,921,471
<b>Transactions with owners:</b>						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2021 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
- Convertible preference shareholders						
Final dividend for the year ended June 30, 2021 @ 15%	-	-	-	(16)	(16)	(16)
Conversion of preference shares into ordinary shares	7	(7)	-	-	-	-
Total transactions with owners	7	(7)	-	(5,441,962)	(5,441,962)	(5,441,962)
<b>Balance as at December 31, 2021</b>	<b>27,209,730</b>	<b>106</b>	<b>1,428</b>	<b>389,795,969</b>	<b>389,797,397</b>	<b>417,007,233</b>
Balance as at June 30, 2022 (Audited)	27,209,730	106	1,428	407,663,435	407,664,863	434,874,699
<b>Total Comprehensive income for the period</b>						
Profit after taxation	-	-	-	48,936,225	48,936,225	48,936,225
Other comprehensive income for the half year ended December 31, 2022, net of tax	-	-	-	302,916	302,916	302,916
Total comprehensive income for the half year ended December 31, 2022	-	-	-	49,239,141	49,239,141	49,239,141
<b>Transactions with owners:</b>						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2022 @ 5%	-	-	-	(1,360,487)	(1,360,487)	(1,360,487)
- Convertible preference shareholders						
Final dividend for the year ended June 30, 2022 @ 5%	-	-	-	(5)	(5)	(5)
Conversion of preference shares into ordinary shares	1	(1)	-	-	-	-
Total transactions with owners	1	(1)	-	(1,360,492)	(1,360,492)	(1,360,492)
<b>Balance as at December 31, 2022</b>	<b>27,209,731</b>	<b>105</b>	<b>1,428</b>	<b>455,542,084</b>	<b>455,543,512</b>	<b>482,753,348</b>

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

  
Chief Financial Officer

  
Director

  
Chief Executive Officer

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

For the half year ended December 31, 2022

## 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. 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, 2022 and should be read in conjunction with the unconsolidated financial statements of the Company as at and for the year ended June 30, 2022.

The figures of the condensed unconsolidated interim statement of profit or loss and condensed unconsolidated interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half year ended December 31, 2022 and comparative period.

These condensed unconsolidated interim financial statements are un-audited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

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, and letter No. SMD/PRDD/Comp/(4)/2021/302 dated September 15, 2022, granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022 and June 30, 2023 respectively. Furthermore, subsequent to the period end, this exemption has been further extended by SECP through S.R.O 67(I)/2023 dated January 20, 2023 for the financial years ending on or before December 31, 2024. 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).

## 3. SIGNIFICANT ACCOUNTING POLICIES

3.1 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, 2022.

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

For the half year ended December 31, 2022

**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.

**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, 2022 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, 2023 and are not likely to have an effect on these condensed unconsolidated interim financial statements:

- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022);
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) and;
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022);
- 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, 2022.

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, 2022.

	<b>December 31, 2022 Unaudited</b>	<b>June 30, 2022 Audited</b>
	(Rupees in thousand)	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Opening Net Book Value (NBV)	89,295,802	92,959,042
Additions during the period / year - net	7,575,145	8,895,232
	<u>96,870,947</u>	<u>101,854,274</u>
Disposals during the period / year (NBV)	(240)	(2,646)
Adjustments / reclassifications during the period / year (NBV)	(388,943)	4,374,775
Write-off during the period / year - note 5.1.2	(2,406)	-
Depreciation / amortisation charged during the period / year	(9,766,120)	(16,930,601)
	<u>86,713,238</u>	<u>89,295,802</u>
Capital work-in-progress - note 5.1	48,404,859	48,544,575
	<u>135,118,097</u>	<u>137,840,377</u>



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

For the half year ended December 31, 2022

	December 31, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
<b>5.1 Capital work-in-progress</b>		
Plant, machinery, fittings and pipelines	13,324,235	11,370,642
Exploration and evaluation (E&E) assets - note 5.1.1	17,814,668	19,103,985
Development and production (D&P) assets	5,713,997	5,307,617
Lands, buildings and civil constructions	70,267	69,397
Capital stores for drilling and development	12,249,517	14,984,156
Less: Impairment loss	-	(2,198,810)
Less: Write-off - note 5.1.2	(767,825)	(92,412)
	<u>11,481,692</u>	<u>12,692,934</u>
	<u>48,404,859</u>	<u>48,544,575</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 3,656 million (June 30, 2022: Rs 17,679 million).

5.1.2 During the period, a fire incident occurred at a warehouse located in the Company's partner operated field - Tal Block. Based on detailed assessment of the damaged items by the Operator of the field, operating assets and capital stores amounting to Rs 2.406 million and Rs 767.825 million respectively, have been written off during the period.

	December 31, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
<b>6. LONG-TERM INVESTMENTS</b>		
<b>Investments in related parties</b>		
- <b>Wholly owned subsidiaries</b>		
- PPPFTC	1	1
- PPLE (net of impairment)	3,798,094	3,798,094
- PPLA (net of impairment) - note 6.1	-	-
	<u>3,798,095</u>	<u>3,798,095</u>
- <b>Associates</b>		
<b>Unquoted companies</b>		
- Pakistan International Oil Limited (PIOL) - note 6.2 Equity held: 25% No. of shares: 3,500,000 (June 30, 2022: 2,500,000) of USD 10/- each	4,525,325	2,177,858
- Pakistan Minerals (Private) Limited (PMPL) - note 6.3	35,706,865	-
	<u>44,030,285</u>	<u>5,975,953</u>

6.1 With respect to PPLA's 100% interest in Block 8 - Iraq, the Midland Oil Company - Iraq vide letter reference no. 10910 dated August 02, 2022, intimated termination / expiry of the Exploration, Development and Production Service Contract and advised to settle all the outstanding liabilities and receivables and commence close-out proceedings. The Company has commenced appropriate actions to complete the close-out proceedings.

6.2 During the period, the Company has made an equity investment in PIOL amounting to USD 10 million (Rs 2,181.000 million) {June 2022: USD 25 million (Rs 4,161.250 million)} which has increased the total equity investment of the Company in the associate to USD 35 million (Rs 6,342.250 million). These investments have been recorded net of cumulative share of loss of associate amounting to Rs 2,743.526 million (June 2022: Rs 2,607.077 million), charged to profit or loss up to the period ended December 31, 2022, and cumulative exchange gain on translation of foreign associate, as at reporting date, amounting to Rs 926.601 million (June 2022: Rs 623.685 million) recorded through comprehensive income to translation reserve. The loss for the period mainly pertains to exploration and appraisal expenses incurred by PIOL.

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

For the half year ended December 31, 2022

**6.3 Investment in Reko Diq Project**

Further to the information disclosed in note 7 in the annual audited financial statements for the year ended June 30, 2022, all the conditions precedent as set out in the Framework Agreement, including but not limited to, the signing of the definitive agreements and judicial validation were completed as on December 15, 2022. The Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDML) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated in Pakistan with initial subscribed share capital of 12,000 shares with par value of Rs 10 each in accordance with the agreements for collective representation of the Company, OGDCL and GHPL, together called the State Owned Enterprises (SOEs). RDML is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDML through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (herein after referred to as "Holdcos"). RDML is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDML. The SOEs have the right to have representation on the Boards of Holdcos and RDML through PMPL.

The investment in PMPL by the Company has been accounted for as an associate with the carrying amount of investment based on the total purchase consideration paid by the Company in the form of initial entry fee and the interest payments thereon till December 15, 2022. Initial accounting in respect of acquisition under the applicable financial reporting framework involves identifying and determining the fair values to be assigned to the investee's identifiable assets and liabilities, including goodwill or bargain purchase gain, if any. The Company has conducted its initial assessment for identification and valuation of assets and liabilities of the investee, and as a result of this assessment has not identified any goodwill or bargain purchase gain in the aforesaid acquisition. Under the provisions of the accounting and reporting standards as applicable in Pakistan, the Company can adjust the amounts recognised for identified assets and liabilities determined in its initial assessment within the measurement period which should not exceed 12 months from the acquisition date.

	December 31, 2022 Unaudited	June 30, 2022 Audited
	(Rupees in thousand)	
<b>7. TRADE DEBTS</b>		
<b>Unsecured and considered good</b>		
<b>Related parties - note 19</b>		
Central Power Generation Company Limited (GENCO-II) - note 7.3	6,143,936	4,523,630
Sui Northern Gas Pipelines Limited (SNGPL)	218,290,323	186,469,523
Sui Southern Gas Company Limited (SSGCL)	189,639,923	154,037,032
Pak-Arab Refinery Limited (PARCO)	1,107,385	837,009
Pakistan Refinery Limited (PRL)	607,686	731,279
ENAR Petroleum Refining Facility (EPRF)	175,207	307,977
Oil & Gas Development Company Limited (OGDCL)	56,761	51,344
	416,021,221	346,957,794
<b>Non-related parties</b>		
Attock Refinery Limited (ARL)	14,719,726	17,937,791
National Refinery Limited (NRL)	413,635	525,436
Others	228,619	370,695
	15,361,980	18,833,922
	431,383,201	365,791,716
<b>Unsecured and considered doubtful</b>		
<b>Non-related parties</b>		
Cnergyico Pk Limited (CNERGY)	253,002	253,002
EGAS Pvt. Ltd. (EGAS)	169,454	169,454
Less: Provision for doubtful debts - note 7.2	(422,456)	(422,456)
	-	-
	431,383,201	365,791,716

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

For the half year ended December 31, 2022

	December 31, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
7.1 The ageing of trade debts is as follows:		
Neither past due nor impaired	35,932,656	42,614,761
Past due but not impaired:		
<b>Related parties</b>		
- within 90 days	44,500,341	26,411,636
- 91 to 180 days	39,014,278	29,445,958
- over 180 days	307,727,858	264,163,060
	391,242,477	320,020,654
<b>Non-related parties</b>		
- within 90 days	3,225,511	2,176,815
- 91 to 180 days	2,187	780
- over 180 days	980,370	978,706
	4,208,068	3,156,301
	431,383,201	365,791,716

7.2 Trade debts include overdue amount of Rs 390,700 million (June 30, 2022: Rs 319,886 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL, EPRF and OGDCL) and Rs 4,75 million (June 30, 2022: Rs 3,291 million) overdue receivable from refineries (i.e. ARL, CENERGY, PARCO, NRL and PRL) and various LPG / other customers. The GoP is committed, hence continuously pursuing for satisfactory settlement of Inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Company's trade debts. The Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the Inter-corporate circular debt in the energy sector. The Company recognises interest / surcharge, if any, on delayed payments from customers on receipt basis. As disclosed in note 2.2 to these condensed unconsolidated interim financial statements, SECP has deferred the applicability of ECL model for financial years ending on or before December 31, 2024 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

Specific provision has been created against receivables from CENERGY and EGAS as a result of disputes disclosed in notes 12.5 and 12.6 to the unconsolidated financial statements for the year ended June 30, 2022.

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 provision for doubtful debts has been made in these condensed unconsolidated interim financial statements, except for provision against receivable from CENERGY and EGAS.

7.3 As disclosed in note 12.4 to the unconsolidated financial statements for the year ended June 30, 2022, trade debts do not include GDS and GIDC amounting to Rs 71,975 million (June 30, 2022: Rs 66,959 million) and Rs 3,799 million (June 30, 2022: Rs 4,999 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 date of statement of financial position.

	December 31, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
8. <b>SHORT-TERM INVESTMENTS</b>		
<b>At amortised cost</b>		
- Local currency term deposits with banks - note 8.1	3,327,500	847,500
- Foreign currency term deposits with banks - note 8.2	16,364,192	13,132,888
- Local currency treasury bills - note 8.1 & 8.3	30,740,254	52,426,957
	50,431,946	66,407,345
<b>At fair value through profit or loss</b>		
- Mutual Funds - note 8.4	16,964,215	-
	67,396,161	66,407,345

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

For the half year ended December 31, 2022

- 8.1 These carry profit ranging from 11.00% to 16.91% (June 30, 2022: 7.54% to 17.66%) per annum and are due to mature latest by September 2023. As disclosed in note 17.3 to the unconsolidated financial statements for the year ended June 30, 2022, treasury bills amounting to Rs 1,715 million were pledged as collateral to a financial institution for issuance of bank guarantee amounting to Rs 1,536 million in favour of the Nazir of Sindh High Court. During the period, the pledged treasury bills were matured and released, and the collateral was replaced with local currency term deposit amounting to Rs 1,700 million against the said bank guarantee. The above collateral is still valid as at December 31, 2022.

Further, the Company has pledged treasury bills amounting to Rs 364.74 million against letter of credit.

- 8.2 These represent foreign currency term deposits with banks amounting to USD 72.280 million (June 30, 2022: USD 63.907 million) having effective interest rate ranging from 2.85% to 12.63% (June 30, 2022: 1.40% to 10.55%) per annum and are due to mature latest by December 2023.
- 8.3 These carry profit ranging from 15.40% to 16.50% (June 30, 2022: 10.62% to 14.65%) per annum and are due to mature latest by October 2023. These bills were issued by GoP and sold through State Bank of Pakistan.
- 8.4 These represent investments in money market mutual funds. During the period, average annualised return is 14.80% (June 30, 2022: 8.93%).

	December 31, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
<b>9. TRADE AND OTHER PAYABLES</b>		
Creditors	864,608	861,400
Accrued liabilities	9,451,129	10,711,643
Security deposits / advances from LPG distributors	603,831	525,326
Retention money	89,574	102,607
Sales tax - net	2,105,645	1,827,391
Royalties	11,013,983	10,924,354
Lease extension bonus	33,647,919	30,159,897
Current accounts with joint operations	12,522,570	12,691,458
Staff retirement benefit funds	16,672	1,206,915
Provision for windfall levy on oil / condensate	20,927,937	17,445,937
Federal excise duty - net	93,778	125,910
Workers' Profits Participation Fund (WPPF)	3,770,614	-
Others	404,407	443,820
	<u>95,512,667</u>	<u>87,026,658</u>

- 9.1 As disclosed in note 25.1 to the unconsolidated financial statements for the year ended June 30, 2022, trade and other payables do not include GDS and GIDC amounting to Rs 71,975 million (June 30, 2022: Rs 66,959 million) and Rs 3,799 million (June 30, 2022: Rs 4,999 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.

### 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, 2022, except for the following:

- 10.1 During the period, Tax Authorities while amending the assessment for tax year 2022 have created demand of Rs 4,904 million primarily on account of rate issue, provision for windfall levy and tax depreciation. The said tax demand was paid by the Company under protest. Being aggrieved, the Company has filed an appeal before the Commissioner Inland Revenue (Appeals), which is pending for adjudication.
- 10.2 Subsequent to the period end, the Tax Authorities have issued a notice dated January 10, 2023 on non-payment of super tax liability of Rs 8 billion. The Honourable Sindh High Court (SHC), in another case, has annulled the levy of super tax for tax year 2022 on constitutional / legal grounds. Pursuant to appeal by the Tax Authorities, the Honourable Supreme Court of Pakistan (SCP), through a short order dated February 16, 2023, has allowed payment of super tax @ 4% as an interim measure. The next date of hearing before the SCP is March 13, 2023. *AMB*

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

For the half year ended December 31, 2022

**10.3** Total commitments for capital expenditure (net share) as at December 31, 2022 are Rs 1,964 million (June 30, 2022: Rs 1,084 million). Further, total amount outstanding under letters of credit (net share) as at December 31, 2022 is Rs 1,233 million (June 30, 2022: Rs 3,386 million).

**10.4** With respect to PMPL (note 6.3), the Company has entered into a Joint Venture Agreement with the stakeholders, under which the Company has committed to further invest up to USD 398 million, to be adjusted for inflation, for funding its proportionate share during Phase-I of the Reko Diq project. In addition, the Company has committed to contribute, in the form of equity, up to USD 1 million per year towards its proportionate share in the administrative expenses of PMPL. Furthermore, the Company has provided a several corporate guarantee to fund the obligations of the Company under the Definitive Agreements.

	Half year ended December 31, 2022	Half year ended December 31, 2021
	(Rupees in thousand)	
<b>11. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
<b>Gross revenue</b>		
Natural gas	99,416,195	64,101,315
Gas supplied to Sui villages	644,030	426,244
Internal consumption of gas	314,748	218,477
Crude oil / Condensate / Natural Gas Liquids	44,802,727	33,479,048
LPG	10,237,766	8,309,090
Barytes	524,215	474,094
	<u>155,939,681</u>	<u>107,008,268</u>
<b>Government levies / discounts</b>		
Federal excise duty	(842,278)	(782,481)
Sales tax	(17,152,316)	(16,408,611)
Petroleum Levy	(280,030)	(269,606)
Discounts (Barytes)	(8,515)	(19,851)
	<u>(18,283,139)</u>	<u>(17,480,549)</u>
	<u>137,656,542</u>	<u>89,527,719</u>

<b>12. OPERATING EXPENSES</b>		
Salaries, wages, welfare and other benefits	5,441,244	5,024,950
Operators' personnel	1,547,946	1,329,095
Depreciation	3,420,830	3,020,309
Amortisation of decommissioning assets	1,278,938	829,282
Amortisation of D&P assets	5,005,608	4,156,686
Plant operations	1,976,614	1,691,712
Well interventions	1,131,922	590,612
Field services	1,416,888	1,209,751
Crude oil transportation	484,790	394,866
Travelling and conveyance	429,530	281,204
Training & development	37,159	20,408
PCA overheads	95,595	80,911
Insurance expenses	376,346	309,273
Free supply of gas to Sui villages	644,030	426,244
Social welfare / community development	202,434	118,644
	<u>23,489,874</u>	<u>19,483,947</u>

**13. EXPLORATION EXPENSES**

**13.1** Exploration expenses for the period also include cost of dry / abandoned wells amounting to Rs 3,656 million (December 2021: Rs 6,540 million).



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

For the half year ended December 31, 2022

	Half year ended December 31, 2022	Half year ended December 31, 2021
	(Rupees in thousand)	
<b>14. OTHER CHARGES</b>		
WPPF charge	3,770,614	2,116,016
Provision for Windfall levy on oil / condensate	3,482,000	2,577,000
Write off / Impairment of property, plant and equipment & capital stores - note 5.1.2	770,231	1,121,222
Provision / reversal of provision for obsolete / slow moving stores & spares	19,610	(171,176)
Others	-	5,333
	<u>8,042,455</u>	<u>5,648,395</u>
<b>15. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Income on loans and bank deposits	396,122	215,501
Income on local currency term deposits	307,739	436,163
Income on foreign currency term deposits	538,164	367,949
Income from investment in treasury bills	3,565,788	1,21,229
Exchange gain on foreign currency - net	1,200,117	4,343,069
Dividend income / gain on re-measurement of investments designated at fair value through profit or loss (net)	594,130	764,947
	<u>6,602,060</u>	<u>7,248,858</u>
<b>Income from assets other than financial assets</b>		
Rental income on assets	2,432	2,412
Insurance income	37,569	510
Gain on disposal of property, plant and equipment (net)	13,295	20,215
Others	7,982	-
	<u>61,278</u>	<u>23,137</u>
	<u>6,663,338</u>	<u>7,271,995</u>
<b>16. TAXATION</b>		
Current		
- For the half year	30,250,594	14,396,233
- For the prior year	396,829	610,327
	<u>30,647,423</u>	<u>15,006,560</u>
Deferred	(1,301,172)	(1,365,432)
	<u>29,346,251</u>	<u>13,641,128</u>
<b>16.1</b>	Current tax includes provision for super tax imposed by the GoP at the rate of 4% amounting to Rs 2,805.983 million while the deferred tax includes reversal of Rs 86.608 million on account of super tax.	
	Half year ended December 31, 2022	Half year ended December 31, 2021
	(Rupees in thousand)	
<b>17. CASH AND CASH EQUIVALENTS</b>		
Short-term highly liquid investments - note 17.1	31,481,787	61,753,961
Cash and bank balances	4,039,969	2,756,056
	<u>35,521,756</u>	<u>64,510,017</u>
<b>17.1</b>	Short-term investments as disclosed in note 8 amount to Rs 67,396 million (December 2021: Rs 92,481 million). However, certain investments which were not considered highly liquid comprising foreign currency term deposits with banks amounting to Rs 12,493 million (December 2021: Rs 12,419 million), local currency term deposits with banks amounting to Rs 1,735 million (December 2021: Rs 25 million), treasury bills amounting to Rs 4,722 million (December 2021: Nil) and mutual funds amounting to Rs 16,964 million (December 2021: Rs 18,283 million) are not considered as cash and cash equivalents.	

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

For the half year ended December 31, 2022

	Half year ended December 31, 2022	Half year ended December 31, 2021
	(Rupees in thousand)	
<b>18. EARNINGS PER SHARE</b>		
<b>18.1 Basic earnings per share</b>		
Profit after taxation (Rs '000)	48,936,225	31,709,236
Dividend on convertible preference shares (Rs '000)	(32)	(32)
Profit attributable to ordinary shareholders (Rs '000)	<u>48,936,193</u>	<u>31,709,204</u>
Weighted average number of ordinary shares in issue	<u>2,720,973,051</u>	<u>2,720,972,657</u>
<b>Basic earnings per share (Rs)</b>	<u>17.98</u>	<u>11.65</u>

18.1.1 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, 2022	Half year ended December 31, 2021
<b>18.2 Diluted earnings per share</b>		
Profit after taxation (Rs '000)	48,936,225	31,709,236
Weighted average number of ordinary shares in issue	2,720,973,051	2,720,972,657
Adjustment of convertible preference shares	10,477	10,871
Weighted average number of ordinary shares for diluted earnings per share	<u>2,720,983,528</u>	<u>2,720,983,528</u>
<b>Diluted earnings per share (Rs)</b>	<u>17.98</u>	<u>11.65</u>

**19. 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. The Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are not material, hence not disclosed in these condensed unconsolidated interim financial statements. Transactions with related parties other than disclosed below are disclosed in relevant notes to these condensed unconsolidated interim financial statements. 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, 2022	Half year ended December 31, 2021
	(Rupees in thousand)	
<b>Sales of gas / oil / barytes to state controlled entities (including Government Levies)</b>		
GENCO-II	10,481,595	4,429,618
SSGCL	41,550,087	25,893,640
SNGPL	47,384,513	33,778,057
EPRF	685,159	-
OGDCL	31,116	68,680
	<u>100,132,470</u>	<u>64,169,995</u>
<b>Long-term receivables, trade debts and other receivables from State controlled entities as at December 31</b>	<u>414,421,244</u>	<u>301,404,426</u>
<b>Transactions and balances with subsidiaries</b>		
Receivable from PPLA as at December 31	394,585	289,177
Interest paid on loan from PPLE	-	60
Payment of employees cost on secondment to PPLA	26,899	46,548
Deposit for bank guarantee on behalf of PPLE - Block 29, Yemen	<u>1,683,750</u>	<u>1,264,500</u>

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

For the half year ended December 31, 2022

	Half year ended December 31, 2022	Half year ended December 31, 2021
	(Rupees in thousand)	
<b>Transactions and balances with Associated Companies</b>		
Sales of crude oil / condensate to PARCO	2,547,127	6,361,604
Sales of crude oil / condensate to PRL	1,225,377	1,182,441
Payment to Total PARCO Pakistan Limited (Total PARCO)	263	31,977
Membership / sponsorship fee paid to Petroleum Institute of Pakistan	5,905	3,288
Purchase of medicines from Sanofi-Aventis Pakistan Limited	2,668	2,953
Annual supervision fee paid to Audit Oversight Board	-	500
Equity investment in PMPL	1,600,615	-
Equity investment in PIOL	2,181,000	4,161,250
Receivable from PIOL as at December 31	78,512	32,261
Service fee (G&A overheads) charged to PIOL	41,978	13,077
Payment of employees cost on secondment to PIOL	172,336	51,320
Payment to MPCL against gas processing services received	26,559	-
<b>Transactions and balances with Joint Operations</b>		
Payments of cash calls to joint operations	16,392,742	17,953,942
Expenditures incurred by the joint operations	16,380,299	15,196,825
Under advance balances relating to joint operations as at December 31	12,161,564	7,925,010
Current account receivables relating to joint operations as at December 31	1,475,883	1,368,177
Current account payables relating to joint operations as at December 31	123,439	98,551
Income from rental of assets to joint operations	2,432	2,412
Purchase of goods from BME (net)	1,915	92,756
Reimbursement of employee cost on secondment to BME	13,342	11,268
Dividend income from BME	300,000	250,000
<b>Other related parties</b>		
Dividend paid to GoP	918,432	3,673,727
Unclaimed dividend pertaining to BESOS	770,221	400,115
Dividend paid to trusts under retirement benefit funds	757	3,029
Transactions with retirement benefit funds	831,338	608,936
Remuneration to key management personnel	1,920,342	1,732,866
Payment to PPL Welfare Trust for CSR activities	24,000	21,000
Payment of rental to Pakistan Industrial Development Corporation	100,971	91,991
Payment of rental to Karachi Port Trust	5,609	4,801
Payment of insurance premium to National Insurance Company Limited (NICL)	840,471	840,467
Insurance claim received from NICL	37,569	510
Fuel purchased from Pakistan State Oil Company Limited	39,510	275,382
Payment for chartered flights to Pakistan International Airlines Corporation Limited	26,694	56,963
Deposits with National Bank of Pakistan as at December 31	163,245	48,682
Investment in Mutual Funds with NBP Fund Management Limited as at December 31	5,382,711	-
Dividend income / gain on mutual funds investment with NBP Fund Management Limited	167,711	-
Payment to Hydrocarbon Development Institute of Pakistan (HDIP)	368	-

19.1 Aggregate amount charged in these condensed unconsolidated interim financial statements in respect of fees to thirteen non-executive directors was Rs 25.0 million (December 2021: Rs 17.5 million to nine non-executive directors).

*QMM*

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

For the half year ended December 31, 2022

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- 19.2 The Company has provided parent company guarantee to GoP in respect of PPLE's exploration licences in Pakistan i.e. Barkhan, Harnai and Ziarat.
- 19.3 The Company has a receivable of Rs 7.59 million (December 2021: 30.27 million) from OGDCL, MPCL and GHPL (Rs 2.46 million, Rs 2.76 million and Rs 2.37 million receivable, respectively) with respect to the payments made by the Company on their behalf for expenses related to PIOL.
- 19.4 The Company has a receivable of Rs 0.435 million each from GHPL and OGDCL on account of payments made by the Company on its behalf with respect to the Reko Diq project, while the Company has a payable amounting to Rs 17.309 million to OGDCL on account of the Company's share of expenses incurred for Reko Diq project.

### 20. SUBSEQUENT / NON-ADJUSTING EVENTS

The Board of Directors in its meeting held on February 27, 2023 has approved interim cash dividend @ 10% amounting to Rs 2,720.973 million (December 2021: @ 15% amounting to Rs 4,081.459 million) and Rs 0.010 million (December 2021: @ 15% amounting to Rs 0.016 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 27, 2023 by the Board of Directors of the Company. 

  
Chief Financial Officer

  
Director

  
Chief Executive Officer



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sixth Floor, State Life Building, Blue Area  
Islamabad, Pakistan  
Telephone 92 (51) 282 3558, Fax 92 (51) 282 2671

## **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, 2022 and the related condensed consolidated interim statement of profit or loss, condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of cash flows, condensed consolidated interim statement of changes in equity, and notes to the condensed consolidated interim financial statements for the six-months period then ended (here-in-after referred to as the "Condensed Consolidated Interim Financial Statements"). Management is responsible for the preparation and presentation of these 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 are 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 7.2 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 for the three-month period ended 31 December 2022 and 2021 in the condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the engagement resulting in this independent auditors' review report is Inam Ullah Kakra.

A handwritten signature in blue ink, which appears to read 'KPMG Taseer Hadi &amp; Co.' followed by a stylized signature.

KPMG Tasser Hadi & Co.  
Chartered Accountants  
Islamabad

Date: 28 February 2023

UDIN: RR202210202Ty3vYxMgl

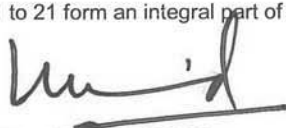


PAKISTAN PETROLEUM LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2022

	Note	December 31, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Property, plant and equipment	5	136,952,604	139,578,251
Intangible assets		81,046	113,116
		<u>137,033,650</u>	<u>139,691,367</u>
Long-term investments	6	40,232,191	2,177,859
Deposit with GoP for equity stake in Reko Diq	6.2	-	34,106,250
Long-term loans		81,030	61,689
Long-term deposits		7,676	7,676
		<u>177,354,547</u>	<u>176,044,841</u>
<b>CURRENT ASSETS</b>			
Stores and spares		5,543,779	5,495,842
Trade debts	7	431,734,955	366,251,547
Loans and advances		361,534	558,389
Trade deposits and short-term prepayments		803,862	290,833
Interest accrued		807,008	282,262
Current maturity of long-term loans		34,759	27,929
Current maturity of long-term deposits		1,683,750	1,505,250
Current maturity of long-term receivables		56,595	122,051
Other receivables		2,941,966	3,038,181
Short-term investments	8	71,769,632	69,634,343
Cash and bank balances		4,153,200	5,427,273
		<u>519,891,040</u>	<u>452,633,900</u>
<b>TOTAL ASSETS</b>		<u><u>697,245,587</u></u>	<u><u>628,678,741</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital		27,209,836	27,209,836
Reserves		455,338,698	407,494,659
		<u>482,548,534</u>	<u>434,704,495</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for decommissioning obligation		38,087,133	33,196,343
Deferred liabilities		3,472,802	3,328,024
Deferred taxation - net		27,478,992	28,780,165
		<u>69,038,927</u>	<u>65,304,532</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	97,619,717	89,664,907
Unclaimed dividends		1,060,296	1,001,150
Current maturity of lease liabilities		1,266,381	1,434,170
Taxation - net		45,711,732	36,569,487
		<u>145,658,126</u>	<u>128,669,714</u>
<b>TOTAL LIABILITIES</b>		<u>214,697,053</u>	<u>193,974,246</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>697,245,587</u></u>	<u><u>628,678,741</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			

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

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER

*emms*

PAKISTAN PETROLEUM LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Note	Quarter ended December 31, 2022	Quarter ended December 31, 2021	Half year ended December 31, 2022	Half year ended December 31, 2021
(Rupees in thousand)					
Revenue from contracts with customers	11	65,377,105	46,822,770	138,197,401	90,419,003
Operating expenses	12	(12,230,602)	(9,533,036)	(23,843,021)	(19,964,924)
Royalties and other levies		(10,432,208)	(6,941,747)	(23,005,494)	(13,378,998)
		<u>(22,662,810)</u>	<u>(16,474,783)</u>	<u>(46,848,515)</u>	<u>(33,343,922)</u>
<b>Gross Profit</b>		<b>42,714,295</b>	<b>30,347,987</b>	<b>91,348,886</b>	<b>57,075,081</b>
Exploration expenses	13	(7,791,630)	(4,184,504)	(9,536,133)	(9,041,617)
Administrative expenses		(617,439)	(1,062,003)	(1,819,557)	(1,943,515)
Finance costs		(382,576)	(311,999)	(735,215)	(608,039)
Reversal of provision for doubtful debts - net		-	-	-	41,929
Share of loss of associate	6.1	(100,714)	(2,374,341)	(136,449)	(2,374,350)
Other charges	14	(3,511,619)	(3,536,305)	(8,042,455)	(5,648,395)
		<u>30,310,317</u>	<u>18,878,835</u>	<u>71,079,077</u>	<u>37,501,094</u>
Other income	15	1,950,625	2,734,988	6,768,762	7,278,895
<b>Profit before taxation</b>		<b>32,260,942</b>	<b>21,613,823</b>	<b>77,847,839</b>	<b>44,779,989</b>
Taxation	16	(10,092,218)	(7,334,724)	(29,349,151)	(13,641,128)
<b>Profit after taxation</b>		<b><u>22,168,724</u></b>	<b><u>14,279,099</u></b>	<b><u>48,498,688</u></b>	<b><u>31,138,861</u></b>
<b>Basic and diluted earnings per share (Rs)</b>	18	<b>8.15</b>	<b>5.25</b>	<b>17.82</b>	<b>11.44</b>

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

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR


  
CHIEF EXECUTIVE OFFICER

PAKISTAN PETROLEUM LIMITED

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Note	Quarter ended December 31, 2022	Quarter ended December 31, 2021	Half year ended December 31, 2022	Half year ended December 31, 2021
----- (Rupees in thousand) -----					
Profit after taxation		22,168,724	14,279,099	48,498,688	31,138,861
<b>Other comprehensive income / (loss):</b>					
<b>Items that will not be subsequently reclassified to profit or loss:</b>					
Remeasurement gain / (loss) on defined benefit plans - net	3.2	-	-	-	-
<b>Items that may be reclassified to consolidated statement of profit or loss:</b>					
Exchange differences on translation of subsidiaries & associate		(284,913)	306,864	705,843	488,433
Other comprehensive income for the period		(284,913)	306,864	705,843	488,433
<b>Total comprehensive income for the period</b>		<u>21,883,811</u>	<u>14,585,963</u>	<u>49,204,531</u>	<u>31,627,294</u>

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

  
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, 2022**

	<i>Note</i>	<b>Half year ended December 31, 2022 (Rupees in thousand)</b>	<b>Half year ended December 31, 2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		91,810,273	71,730,653
Receipts of other income		2,799,908	815,624
Payments to suppliers / service providers and employees - net		(26,214,502)	(19,014,283)
Payments of indirect taxes and Government levies including royalties		(38,213,035)	(29,018,806)
Income tax paid		(21,581,647)	(8,455,708)
Payment of decommissioning obligation		(65,302)	(128,189)
Finance costs paid		(105,811)	(1,201)
Long-term loans and others		(26,171)	(21,550)
Net cash generated from operating activities		<u>8,403,713</u>	<u>15,906,540</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure		(7,264,398)	(8,809,493)
Proceeds from disposal of property, plant and equipment		13,535	21,056
Investments - net		106,512	(6,108,204)
Equity investment in PIOL		(2,181,000)	(4,161,250)
Long-term deposits		(178,500)	(59,143)
Equity investment in Reko Diq		(1,600,615)	-
Current maturity of long-term receivables		65,456	16,509
Finance income received		4,991,004	2,168,009
Net cash used in investing activities		<u>(6,048,006)</u>	<u>(16,932,516)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities		(167,789)	(433)
Dividends paid		(1,301,346)	(5,148,017)
Net cash used in financing activities		<u>(1,469,135)</u>	<u>(5,148,450)</u>
Net increase / (decrease) in cash and cash equivalents		886,572	(6,174,426)
Cash and cash equivalents at beginning of the period		37,249,402	72,802,434
Net foreign exchange differences		419,576	324,592
<b>Cash and cash equivalents at end of the period</b>	<b>17</b>	<u><u>38,555,550</u></u>	<u><u>66,952,600</u></u>

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

  
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, 2022

	Subscribed and paid-up share capital		Capital reserve	Revenue reserves	Total reserves	Total
	Ordinary	Convertible preference				
	(Rupees in thousand)					
Balance as at June 30, 2021 (Audited)	27,209,723	113	1,428	361,720,561	361,721,989	388,931,825
<b>Total comprehensive income for the period</b>						
Profit after taxation	-	-	-	31,138,861	31,138,861	31,138,861
Other comprehensive income for the half year ended December 31, 2021, net of tax	-	-	-	488,433	488,433	488,433
Total comprehensive income for the half year ended December 31, 2021	-	-	-	31,627,294	31,627,294	31,627,294
<b>Transactions with owners:</b>						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2021 @ 20%	-	-	-	(5,441,946)	(5,441,946)	(5,441,946)
- Convertible preference shareholders						
Final dividend for the year ended June 30, 2021 @ 15%	-	-	-	(16)	(16)	(16)
Conversion of preference shares into ordinary shares	7	(7)	-	-	-	-
Total transactions with owners	7	(7)	-	(5,441,962)	(5,441,962)	(5,441,962)
<b>Balance as at December 31, 2021</b>	<b>27,209,730</b>	<b>106</b>	<b>1,428</b>	<b>387,905,893</b>	<b>387,907,321</b>	<b>415,117,157</b>
Balance as at June 30, 2022 (Audited)	27,209,730	106	1,428	407,493,231	407,494,659	434,704,495
<b>Total Comprehensive income for the period</b>						
Profit after taxation	-	-	-	48,498,688	48,498,688	48,498,688
Other comprehensive income for the half year ended December 31, 2022, net of tax	-	-	-	705,843	705,843	705,843
Total comprehensive income for the half year ended December 31, 2022	-	-	-	49,204,531	49,204,531	49,204,531
<b>Transactions with owners:</b>						
- Ordinary shareholders						
Final dividend for the year ended June 30, 2022 @ 5%	-	-	-	(1,360,487)	(1,360,487)	(1,360,487)
- Convertible preference shareholders						
Final dividend for the year ended June 30, 2022 @ 5%	-	-	-	(5)	(5)	(5)
Conversion of preference shares into ordinary shares	1	(1)	-	-	-	-
Total transactions with owners	1	(1)	-	(1,360,492)	(1,360,492)	(1,360,492)
<b>Balance as at December 31, 2022</b>	<b>27,209,731</b>	<b>105</b>	<b>1,428</b>	<b>455,337,270</b>	<b>455,338,698</b>	<b>482,548,534</b>

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

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)**  
For the half year ended December 31, 2022

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**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. 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 it owned 100% interest in Block 8, Iraq, under the Exploration, Development and Production Service Contract (EDPSC) with the Midland Oil Company, Iraq (MdOC). During the period, MdOC vide letter reference no. 10910 dated August 02, 2022, intimated termination/ expiry of the EDPSC and advised to settle all outstanding liabilities and receivables and commence close-out proceedings. The Holding Company has commenced appropriate actions to complete the close-out proceedings. Accordingly, a claim amounting to USD 11.564 million has been lodged by PPLA with MdOC through a letter dated October 13, 2022, in respect of Specific Costs plus interest thereon, reimbursable under the EDPSC. The effects of the claim will be recognised in the financial statements on acceptance and completion of all other close-out proceedings.

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

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



**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)**  
For the half year ended December 31, 2022

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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, 2022 and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended June 30, 2022.

The figures of the condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of comprehensive income for the quarters ended December 31, 2022 and December 31, 2021 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, 2022 and comparative period.

These condensed consolidated interim financial statements are un-audited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange.

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, 2022.
- 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, and letter No. SMD/PRDD/Comp/(4)/2021/302 dated September 15, 2022, granted further extension / exemption from the above-mentioned requirements of IFRS-9 till June 30, 2022 and June 30, 2023 respectively. Furthermore, subsequent to the period end, this exemption has been further extended by SECP through S.R.O 67(I)/2023 dated January 20, 2023 for the financial years ending on or before December 31, 2024. 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 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).

**3. SIGNIFICANT ACCOUNTING POLICIES**

- 3.1 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, 2022.
- 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.

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)**  
For the half year ended December 31, 2022

**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, 2022 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, 2023 and are not likely to have an effect on these condensed consolidated interim financial statements:

- Classification of liabilities as current or non-current (Amendments to IAS 1);
- Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- Definition of Accounting Estimates (Amendments to IAS 8)
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) and;
- Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022)
- 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, 2022.

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, 2022.

**5. PROPERTY, PLANT AND EQUIPMENT**

	<b>December 31, 2022 Unaudited</b>	<b>June 30, 2022 Audited</b>
	(Rupees in thousand)	
Opening Net Book Value (NBV)	90,161,512	93,750,767
Additions during the period / year - net	7,628,399	9,008,483
	<u>97,789,911</u>	<u>102,759,250</u>
Disposals during the period / year (NBV)	(240)	(2,646)
Exchange differences / reclassifications during the period / year (NBV)	(301,309)	4,591,325
Write-off during the period / year - note 5.1.2	(2,406)	-
Depreciation / amortisation charged during the period / year	(9,854,778)	(17,186,417)
	<u>87,631,178</u>	<u>90,161,512</u>
Capital work-in-progress - note 5.1	49,321,426	49,413,739
	<u>136,952,604</u>	<u>139,573,251</u>

**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)**  
For the half year ended December 31, 2022

	December 31, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
<b>5.1 Capital work-in-progress</b>		
Plant, machinery, fittings and pipelines	13,324,235	11,370,642
Exploration and Evaluation (E&E) assets - note 5.1.1	18,679,318	19,103,985
Development and production (D&P) assets	5,713,997	6,127,177
Lands, buildings and civil constructions	70,267	69,397
Capital stores for drilling and development	12,301,434	15,036,760
Less: Impairment loss	-	(2,198,810)
Less: Write-off - note 5.1.2	(767,825)	(92,412)
	<u>11,533,609</u>	<u>12,745,538</u>
	<u>49,321,426</u>	<u>49,416,739</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 3,656 million (June 30, 2022: Rs 17,679 million).

**5.1.2** During the period, a fire incident occurred at a warehouse located in the Holding Company's partner operated field - Tal Block. Based on detailed assessment of the damaged items by the Operator of the field, operating assets and capital stores amounting to Rs 2.406 million and Rs 767.825 million respectively, have been written off during the period.

	December 31, 2022 Unaudited (Rupees in thousand)	June 30, 2022 Audited
<b>6. LONG-TERM INVESTMENTS</b>		
<b>Investments in related parties</b>		
- Wholly owned subsidiary		
- PPPFTC	1	1
- Associates		
<b>Unquoted companies</b>		
Pakistan International Oil Limited (PIOL) - note 6.1		
Equity held: 25%		
No. of shares: 3,500,000 (June 30, 2022: 2,500,000) of USD 10/- each	4,525,325	2,177,858
Pakistan Minerals (Private) Limited (PMPL) - note 6.2	35,706,865	-
	<u>40,232,191</u>	<u>2,177,859</u>

**6.1** During the period, the Holding Company has made an equity investment in PIOL amounting to USD 10 million (Rs 2,181.000 million) {June 2022: USD 25 million (Rs 4,161.250 million)} which has increased the total equity investment of the Holding Company in the associate to USD 35 million (Rs 6,342.250 million). These investments have been recorded net of cumulative share of loss of associate amounting to Rs 2,743.526 million (June 2022: Rs 2,607.077 million), charged to profit or loss up to the period ended December 31, 2022, and cumulative exchange gain on translation of foreign associate, as at reporting date, amounting to Rs 926.601 million (June 2022: Rs 623.685 million) recorded through comprehensive income to translation reserve. The loss for the period mainly pertains to exploration and appraisal expenses incurred by PIOL.

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**6.2 Investment in Reko Diq Project**

Further to the information disclosed in note 8 in the annual audited financial statements for the year ended June 30, 2022, all the conditions precedent as set out in the Framework Agreement, including but not limited to, the signing of the definitive agreements and judicial validation were completed as on December 15, 2022. The Holding Company has invested in the project company, i.e. Reko Diq Mining Company (Private) Limited (RDML) through Pakistan Minerals (Private) Limited (PMPL), an entity incorporated in Pakistan with initial subscribed share capital of 12,000 shares with par value of Rs 10 each in accordance with the agreements for collective representation of the Holding Company, OGDCL and GHPL, together called the State Owned Enterprises (SOEs). RDML is engaged in the mineral exploration activities in Pakistan. PMPL holds an indirect working interest of 25% (8.33% of each SOE) in the RDML through offshore holding companies namely Reko Diq Holdings Limited and Reko Diq Investments Limited (herein after referred to as "Holdcos"). RDML is incorporated in Pakistan and Holdcos are incorporated in Bailiwick of Jersey. The Holding Company's equity interest in PMPL is 33.33% with an effective interest of 8.33% in RDML. The SOEs have the right to have representation on the Boards of Holdcos and RDML through PMPL.

The investment in PMPL by the Holding Company has been accounted for as an associate with the carrying amount of investment based on the total purchase consideration paid by the Holding Company in the form of initial entry fee and the interest payments thereon till December 15, 2022. Initial accounting in respect of acquisition under the applicable financial reporting framework involves identifying and determining the fair values to be assigned to the investee's identifiable assets and liabilities, including goodwill or bargain purchase gain, if any. The Holding Company has conducted its initial assessment for identification and valuation of assets and liabilities of the investee, and as a result of this assessment has not identified any goodwill or bargain purchase gain in the aforesaid acquisition. Under the provisions of the accounting and reporting standards as applicable in Pakistan, the Holding Company can adjust the amounts recognised for identified assets and liabilities determined in its initial assessment within the measurement period which should not exceed 12 months from the acquisition date.

	December 31, 2022 Unaudited	June 30, 2022 Audited
	(Rupees in thousand)	
<b>7. TRADE DEBTS</b>		
<b>Unsecured and considered good</b>		
<b>Related parties - note 19</b>		
Central Power Generation Company Limited (GENCO-II) - note 7.3	6,143,936	4,523,630
Sui Northern Gas Pipelines Limited (SNGPL)	218,405,538	186,517,610
Sui Southern Gas Company Limited (SSGCL)	189,759,933	154,160,444
Pak-Arab Refinery Limited (PARCO)	1,107,385	837,009
Pakistan Refinery Limited (PRL)	607,686	731,279
ENAR Petroleum Refining Facility (EPRF)	175,207	307,977
Oil & Gas Development Company Limited (OGDCL)	56,761	51,344
	<u>416,256,446</u>	<u>347,129,293</u>
<b>Non-related parties</b>		
Attock Refinery Limited (ARL)	14,750,410	18,113,087
National Refinery Limited (NRL)	413,635	525,436
Others	314,464	483,731
	<u>15,478,509</u>	<u>19,122,254</u>
	<u>431,734,955</u>	<u>366,251,547</u>
<b>Unsecured and considered doubtful</b>		
<b>Non-related parties</b>		
Cnergyico Pk Limited (CNERGY)	253,002	253,002
EGAS Pvt. Ltd. (EGAS)	169,454	169,454
Less: Provision for doubtful debts - note 7.2	(422,456)	(422,456)
	<u>-</u>	<u>-</u>
	<u>431,734,955</u>	<u>366,251,547</u>

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	<b>December 31, 2022 Unaudited (Rupees in thousand)</b>	<b>June 30, 2022 Audited</b>
<b>7.1</b>		
The ageing of trade debts is as follows:		
Neither past due nor impaired	36,023,233	42,904,607
Past due but not impaired:		
<b>Related parties</b>		
- within 90 days	44,622,674	26,486,816
- 91 to 180 days	39,014,278	29,455,447
- over 180 days	307,763,729	264,176,265
	<b>391,400,681</b>	<b>320,118,528</b>
<b>Non-related parties</b>		
- within 90 days	3,309,303	2,176,815
- 91 to 180 days	2,187	780
- over 180 days	999,551	1,050,817
	<b>4,311,041</b>	<b>3,228,412</b>
	<b>431,734,955</b>	<b>366,251,547</b>

- 7.2** Trade debts include overdue amount of Rs 390,883 million (June 30, 2022: Rs 319,984 million) receivable from the State controlled companies (i.e. GENCO-II, SNGPL, SSGCL, EPRF and OGDCL) and Rs 4,956 million (June 30, 2022: Rs 3,363 million) overdue receivable from refineries (i.e. ARL, CENERGY, PARCO, NRL and PRL) and various LPG / other customers. The GoP is committed, hence continuously pursuing for satisfactory settlement of Inter-corporate circular debt issue, however, the progress is slower than expected resulting in accumulation of the Holding Company's trade debts. The Holding Company considers this amount to be fully recoverable because the GoP has been assuming the responsibility to settle the Inter-corporate circular debt in the energy sector. The Holding Company recognises interest / surcharge, if any, on delayed payments from customers on receipt basis. As disclosed in note 2.3 to these condensed consolidated interim financial statements, SECP has deferred the applicability of ECL model for financial years ending on or before December 31, 2024 on financial assets due directly / ultimately from GoP in consequence of the circular debt.

Specific provision has been created against receivables from CENERGY and EGAS as a result of disputes disclosed in notes 13.5 and 13.6 to the consolidated financial statements for the year ended June 30, 2022.

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

- 7.3** As disclosed in note 13.4 to the consolidated financial statements for the year ended June 30, 2022, trade debts do not include GDS and GIDC amounting to Rs 71,975 million (June 30, 2022: Rs 66,959 million) and Rs 3,799 million (June 30, 2022: Rs 4,999 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 date of statement of financial position.

	<b>December 31, 2022 Unaudited (Rupees in thousand)</b>	<b>June 30, 2022 Audited</b>
<b>8. SHORT-TERM INVESTMENTS</b>		
<b>At amortised cost</b>		
- Local currency term deposits with banks - note 8.1	3,694,500	847,500
- Foreign currency term deposits with banks - note 8.2	20,370,663	16,359,886
- Local currency treasury bills - note 8.1 & 8.3	30,740,254	52,426,957
	<b>54,805,417</b>	<b>69,634,343</b>
<b>At fair value through profit or loss</b>		
- Mutual Funds - note 8.4	16,964,215	-
	<b>71,769,632</b>	<b>69,634,343</b>



**NOTES TO AND FORMING PART OF THE CONDENSED CONSOLIDATED INTERIM  
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- 8.1 These carry profit ranging from 11.00% to 16.91% (June 30, 2022: 7.54% to 17.66%) per annum and are due to mature latest by September 2023. As disclosed in note 18.3 to the consolidated financial statements for the year ended June 30, 2022, treasury bills amounting to Rs 1,715 million were pledged as collateral to a financial institution for issuance of bank guarantee amounting to Rs 1,536 million in favour of the Nazir of Sindh High Court. During the period, the pledged treasury bills were matured and released, and the collateral was replaced with local currency term deposit amounting to Rs 1,700 million against the said bank guarantee. The above collateral is still valid as at December 31, 2022.

Further, the Holding Company has pledged treasury bills amounting to Rs 364.74 million against letter of credit.

- 8.2 These represent foreign currency term deposits with banks amounting to USD 89.980 million (June 30, 2022: USD 66.882 million) having effective interest rate ranging from 2.85% to 12.63% (June 30, 2022: 1.40% to 10.55%) per annum and are due to mature latest by December 2023.
- 8.3 These carry profit ranging from 15.40% to 16.50% (June 30, 2022: 10.62% to 14.65%) per annum and are due to mature latest by October 2023. These bills were issued by GoP and sold through State Bank of Pakistan.
- 8.4 These represent investments in money market mutual funds. During the period, average annualised return is 14.80% (June 30, 2022: 8.93%).

<b>December 31, 2022</b>	<b>June 30, 2022</b>
<b>Unaudited</b>	<b>Audited</b>
(Rupees in thousand)	

**9. TRADE AND OTHER PAYABLES**


Creditors	864,608	861,400
Accrued liabilities	9,807,642	11,044,050
Security deposits / advances from LPG distributors	603,831	525,326
Retention money	89,574	102,607
Sales tax - net	2,113,053	1,833,074
Royalties	11,058,137	10,975,541
Lease extension bonus	33,647,919	30,159,897
Current accounts with joint operations	13,101,112	13,922,988
Staff retirement benefit funds	16,672	1,206,915
Provision for windfall levy on oil / condensate	20,927,937	17,495,473
Federal excise duty - net	93,778	125,910
Workers' Profit Participation Fund (WPPF)	3,770,614	-
Contractual obligations for Iraq EDPSC - note 9.2	1,065,703	967,540
Others	459,137	444,186
	<u>97,619,717</u>	<u>89,664,907</u>

- 9.1 As disclosed in note 26.1 to the consolidated financial statements for the year ended June 30, 2022, trade and other payables do not include GDS and GIDC amounting to Rs 71,975 million (June 30, 2022: Rs 66,959 million) and Rs 3,799 million (June 30, 2022: Rs 4,999 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.

- 9.2 These represent Infrastructure Fund amounting to Rs 212.127 million (June 30, 2022: Rs 192.588 million) and Training, Technology & Scholarship Fund amounting to Rs 853.576 million (June 30, 2022: Rs 774.952 million) payable under the EDPSC with MdOC.

**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, 2022, except for the following:

- 10.1 During the period, Tax Authorities while amending the assessment for tax year 2022 have created demand of Rs 4,904 million primarily on account of rate issue, provision for windfall levy and tax depreciation. The said tax demand was paid by the Holding Company under protest. Being aggrieved, the Holding Company has filed an appeal before the Commissioner Inland Revenue (Appeals), which is pending for adjudication. 



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- 10.2 Subsequent to the period end, the Tax Authorities have issued a notice dated January 10, 2023 on non-payment of super tax liability of Rs 8 billion. The Honourable Sindh High Court (SHC), in another case, has annulled the levy of super tax for tax year 2022 on constitutional / legal grounds. Pursuant to appeal by the Tax Authorities, the Honourable Supreme Court of Pakistan (SCP), through a short order dated February 16, 2023, has allowed payment of super tax @ 4% as an interim measure. The next date of hearing before the SCP is March 13, 2023.
- 10.3 Group's total commitments for capital expenditure (net share) as at December 31, 2022 are Rs 1,964 million (June 30, 2022: Rs 1,084 million). Further, total amount outstanding under letters of credit (net share) as at December 31, 2022 is Rs 1,233 million (June 30, 2022: Rs 3,386 million).
- 10.4 With respect to PMPL (note 6.2), the Holding Company has entered into a Joint Venture Agreement with the stakeholders, under which the Holding Company has committed to further invest up to USD 398 million, to be adjusted for inflation, for funding its proportionate share during Phase-I of the Reko Diq project. In addition, the Holding Company has committed to contribute, in the form of equity, up to USD 1 million per year towards its proportionate share in the administrative expenses of PMPL. Furthermore, the Holding Company has provided several corporate guarantee to fund the obligations of the Holding Company under the Definitive Agreements.

	Half year ended December 31, 2022 (Rupees in thousand)	Half year ended December 31, 2021
<b>11. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
<b>Gross revenue</b>		
Natural gas	99,708,963	64,298,082
Gas supplied to Sui villages	644,030	426,244
Internal consumption of gas	314,748	218,477
Crude oil / Condensate / Natural Gas Liquids	45,093,739	34,273,715
LPG	10,237,766	8,309,090
Barytes	524,215	474,094
	<u>156,523,461</u>	<u>107,999,702</u>
<b>Government levies / discounts</b>		
Federal excise duty	(842,278)	(782,481)
Sales tax	(17,195,237)	(16,508,761)
Petroleum levy	(280,030)	(269,606)
Discounts (Barytes)	(8,515)	(19,851)
	<u>(18,326,060)</u>	<u>(17,580,699)</u>
	<u>138,197,401</u>	<u>90,419,003</u>
<b>12. OPERATING EXPENSES</b>		
Salaries, wages, welfare and other benefits	5,441,244	5,024,950
Operator's personnel	1,623,650	1,391,540
Depreciation	3,434,464	3,067,326
Amortisation of decommissioning assets	1,282,275	829,282
Amortisation of D&P assets	5,077,295	4,367,992
Plant operations	2,021,829	1,698,069
Well interventions	1,131,136	590,612
Field services	1,524,736	1,286,339
Crude oil transportation	519,931	469,631
Travelling and conveyance	429,530	281,204
Training & development	37,159	20,408
PCA overheads	96,962	83,253
Insurance expenses	376,346	309,273
Free supply of gas to Sui villages	644,030	426,244
Social welfare / community development	202,434	118,801
	<u>23,843,021</u>	<u>19,964,924</u>

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**13. EXPLORATION EXPENSES**

13.1 Exploration expenses for the period also include cost of dry / abandoned wells amounting to Rs 3,656 million (December 2021: Rs 6,540 million).

	Half year ended December 31, 2022	Half year ended December 31, 2021
	(Rupees in thousand)	
<b>14. OTHER CHARGES</b>		
WPPF charge	3,770,614	2,116,016
Provision for windfall levy on oil / condensate	3,482,000	2,577,000
Write off / Impairment of property, plant and equipment & capital stores - note 5.1.2	770,231	1,121,222
Provision / reversal of provision for obsolete / slow moving stores & spares	19,610	(171,176)
Others	-	5,333
	<u>8,042,455</u>	<u>5,648,395</u>
<b>15. OTHER INCOME</b>		
<b>Income from financial assets</b>		
Income on loans and bank deposits	396,122	215,501
Income on local currency term deposits	326,020	436,163
Income on foreign currency term deposits	631,594	383,350
Income from investment in treasury bills	3,565,788	1,121,229
Exchange gain on foreign currency - net	1,193,830	4,334,568
Dividend income / gain on re-measurement of investments designated at fair value through profit or loss (net)	594,130	764,947
	<u>6,707,484</u>	<u>7,255,758</u>
<b>Income from assets other than financial assets</b>		
Rental income on assets	2,432	2,412
Insurance claims	37,569	510
Gain on disposal of property, plant and equipment (net)	13,295	20,215
Others	7,982	-
	<u>61,278</u>	<u>23,137</u>
	<u>6,768,762</u>	<u>7,278,895</u>
<b>16. TAXATION</b>		
Current		
- For the half year	30,253,494	14,396,233
- For the prior year	396,829	610,327
	<u>30,650,323</u>	<u>15,006,560</u>
Deferred	(1,301,172)	(1,365,432)
	<u>29,349,151</u>	<u>13,641,128</u>
16.1 Current tax includes provision for super tax imposed by the GoP at the rate of 4% amounting to Rs 2,805.983 million while the deferred tax includes reversal of Rs 86.608 million on account of super tax.		
	Half year ended December 31, 2022	Half year ended December 31, 2021
	(Rupees in thousand)	
<b>17. CASH AND CASH EQUIVALENTS</b>		
Short-term highly liquid investments - note 17.1	34,402,350	63,741,402
Cash and bank balances	4,153,200	3,211,198
	<u>38,555,550</u>	<u>66,952,600</u>
17.1 Short-term investments as disclosed in note 8 amount to Rs 71,770 million (December 2021: Rs 95,160 million). However, certain investments which were not considered highly liquid comprising foreign currency term deposits with banks amounting to Rs 13,580 million (December 2021: Rs 13,111 million), local currency term deposits with banks amounting to Rs 2,102 million (December 2021: Rs 25 million), treasury bills amounting to Rs 4,722 million (December 2021: Nil) and mutual funds amounting to Rs 16,964 million (December 2021: Rs 18,283 million) are not considered as cash and cash equivalents.		

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	Half year ended December 31, 2022	Half year ended December 31, 2021
<b>18. EARNINGS PER SHARE</b>		
<b>18.1 Basic earnings per share</b>		
Profit after taxation (Rs '000)	48,498,688	31,138,861
Dividend on convertible preference shares (Rs '000)	(32)	(32)
Profit attributable to ordinary shareholders (Rs '000)	<u>48,498,656</u>	<u>31,138,829</u>
Weighted average number of ordinary shares in issue	<u>2,720,973,051</u>	<u>2,720,972,657</u>
<b>Basic earnings per share (Rs)</b>	<u>17.82</u>	<u>11.44</u>

**18.1.1** 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, 2022	Half year ended December 31, 2021
<b>18.2 Diluted earnings per share</b>		
Profit after taxation (Rs '000)	<u>48,498,688</u>	<u>31,138,861</u>
Weighted average number of ordinary shares in issue	2,720,973,051	2,720,972,657
Adjustment for convertible preference shares	<u>10,477</u>	<u>10,871</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>2,720,983,528</u>	<u>2,720,983,528</u>
<b>Diluted earnings per share (Rs)</b>	<u>17.82</u>	<u>11.44</u>

**19. 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. The Holding Company, in the normal course of business, pays for utilities and makes regulatory payments to entities controlled by GoP which are not material, hence not disclosed in these condensed consolidated interim financial statements. Transactions with related parties other than disclosed below are disclosed in relevant notes to these condensed consolidated interim financial statements. 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, 2022	Half year ended December 31, 2021
	(Rupees in thousand)	
<b>Sales of gas / oil / barytes to State controlled entities (including Government levies)</b>		
GENCO-II	10,481,595	4,429,618
SSGCL	41,696,294	25,990,276
SNGPL	47,531,074	33,878,189
EPRF	685,159	-
OGDCL	31,116	68,680
	<u>100,425,238</u>	<u>64,366,763</u>

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	Half year ended December 31, 2022 (Rupees in thousand)	Half year ended December 31, 2021
<b>Long-term receivables, trade debts and other receivables from state controlled entities as at December 31</b>	<b>414,656,469</b>	<b>301,564,385</b>
<b>Transactions and balances with Associated Companies</b>		
Sales of crude oil / condensate to PARCO	2,547,127	6,361,604
Sales of crude oil / condensate to PRL	1,225,377	1,182,441
Payment to Total PARCO Pakistan Limited	263	31,977
Membership / sponsorship fee paid to Petroleum Institute of Pakistan	5,905	3,288
Purchase of medicines from Sanofi-Aventis Pakistan Limited	2,668	2,953
Annual supervision fee paid to Audit Oversight Board	-	500
Equity investment in PMPL	1,600,615	-
Equity investment in PIOL	2,181,000	4,151,250
Receivable from PIOL as at December 31	78,512	32,261
Service fee (G&A overheads) charged to PIOL	41,978	13,077
Payment of employees cost on secondment to PIOL	172,336	51,320
Payment to MPCL against gas processing services received	26,559	-
<b>Transactions and balances with Joint Operations</b>		
Payments of cash calls to joint operations	17,768,840	18,339,337
Expenditures incurred by the joint operations	16,995,339	15,932,841
Under advance balances relating to joint operations as at December 31	12,740,106	8,627,680
Current account receivables relating to joint operations as at December 31	1,475,883	1,338,177
Current account payables relating to joint operations as at December 31	123,439	98,551
Income from rental of assets to joint operations	2,432	2,412
Purchase of goods from BME (net)	1,915	92,756
Reimbursement of employee cost on secondment to BME	13,342	11,268
Dividend income from BME	300,000	250,000
<b>Other related parties</b>		
Dividend paid to GoP	918,432	3,673,727
Unclaimed dividend pertaining to BESOS	770,221	400,115
Dividend paid to trusts under retirement benefit funds	757	3,029
Transactions with retirement benefit funds	831,338	608,936
Remuneration to key management personnel	1,920,342	1,732,866
Payment to PPL Welfare Trust for CSR activities	24,000	21,000
Payment of rental to Pakistan Industrial Development Corporation	100,971	91,991
Payment of rental to Karachi Port Trust	5,609	4,801
Payment of insurance premium to National Insurance Company Limited (NICL)	840,471	840,467
Insurance claim received from NICL	37,569	510
Fuel purchased from Pakistan State Oil Company Limited	39,510	275,382
Payment for chartered flights to Pakistan International Airlines Corporation Limited	26,694	56,963
Deposits with National Bank of Pakistan as at December 31	163,245	48,682
Investment in Mutual Funds with NBP Fund Management Limited as at December 31	5,382,711	-
Dividend income / gain on mutual funds investment with NBP Fund Management Limited	167,711	-
Payment to Hydrocarbon Development Institute of Pakistan (HDIP)	368	-

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- 19.1 Aggregate amount charged in these condensed consolidated interim financial statements in respect of fees to thirteen non-executive directors was Rs 25.0 million (December 2021: Rs 17.5 million to nine 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 2021: Rs 0.375 million to two directors of PPLA and PPLE each).

- 19.2 The Holding Company has provided parent company guarantee to GoP in respect of PPLE's exploration licences in Pakistan i.e. Barkhan, Harnai and Ziarat.

- 19.3 The Holding Company has a receivable of Rs 7.59 million (December 2021: 30.27 million) from OGDCL, MPCL and GHPL (Rs 2.46 million, Rs 2.76 million and Rs 2.37 million receivable, respectively) with respect to the payments made by the Holding Company on their behalf for expenses related to PIOL.

- 19.4 The Holding Company has a receivable of Rs 0.435 million each from GHPL and OGDCL on account of payments made by the Holding Company on its behalf with respect to the Reko Diq project, while the Holding Company has a payable amounting to Rs 17.309 million to OGDCL on account of the Holding Company's share of expenses incurred for Reko Diq project.

**20. SUBSEQUENT / NON-ADJUSTING EVENTS**

The Board of Directors of the Holding Company in its meeting held on February 27, 2023 has approved interim cash dividend @ 10% amounting to Rs 2,720.973 million (December 2021: @ 15% amounting to Rs 4,081.459 million) and Rs 0.010 million (December 2021: @ 15% amounting to Rs 0.016 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 27, 2023 by the Board of Directors of the Holding Company.

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

  
CHIEF EXECUTIVE OFFICER





## **Pakistan Petroleum Limited**

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