



Oil & Gas Development Company Limited

Interim Report and Financial Information

Nine Months Ended 31 March 2018



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Corporate Information

Board of Directors

Mr. Zahid Muzaffar	Chairman
Mr. Aurangzeb Haque	Director
Mr. Mohammad Jalal Sikandar Sultan	Director
Mr. Iskander Mohammed Khan	Director
Mr. Hamid Farooq	Director
Mr. Zafar Masud	Director
Mr. Rahmat Salam Khattak	Director
Prince Ahmed Omar Ahmedzai	Director
Major General Sohail Ahmad Khan (Retd.)	Director
Mr. Athar Hussain Khan Sial	Director
Mr. Zahid Mir	MD & CEO

Chief Financial Officer

Mr. Irteza Ali Qureshi

Company Secretary

Mr. Ahmed Hayat Lak

Auditors

M/s KPMG Taseer Hadi & Co., Chartered Accountants
M/s A.F. Ferguson & Co., Chartered Accountants

Legal Advisor

M/s Khokhar Law Chambers

Tax Advisor

M/s A.F. Ferguson & Co., Chartered Accountants

Registered Office

OGDCL House, Plot No 3, F-6/G-6, Blue Area,
Jinnah Avenue, Islamabad.
Phone: (PABX) +92 51 9209811-8
Fax: +92 51 9209804-6, 9209708
Website: www.ogdcl.com
Email: info@ogdcl.com

Registrar Office

Central Depository Company of Pakistan Limited,
CDC House, 99-B, Block-B, S.M.C.H.S.,
Main Shahrah-e-Faisal, Karachi-74400.
Phone: +92 21 111 111 500
Fax: +92 21 34326053
Website: www.cdcpakistan.com
Email: info@cdcpak.com

Directors' Interim Review

The Board of Directors of Oil & Gas Development Company Limited (OGDCL) is pleased to present a concise review of the Company's operational and financial performance accompanied with the unaudited condensed interim financial information for the nine months ended 31 March 2018.

Exploration and Development Activities

OGDCL holds the largest exploration acreage in the Country which as of 31 March 2018 stood at 92,182 sq. km representing 27% of the Country's total area under exploration (source: PPIS). Business exploratory assets spread across all four (4) provinces of the Country and currently constitute forty eight (48) owned and operated joint venture exploration licenses. Additionally, the Company possesses working interest in five (5) blocks operated by other exploration and production companies.

OGDCL during July 2017 - March 2018 continued with its seismic data activities acquiring 1,582 Line km of 2D (9M 2016-17: 3,293 Line km) and 461 sq. km of 3D (9M 2016-17: 1,038 sq. km) seismic data. The Company's 2D and 3D seismic data acquisition represents 39% and 63% of total seismic data acquired in the Country respectively (source: PPIS). Moreover, 3,927 Line km of 2D and 2,307 sq. km of 3D seismic data has been processed/reprocessed using in-house resources.

In addition to the above, OGDCL during the period under review spud eight (8) exploratory wells namely Qadir Wali-1, Shawa X-1, Urs-1, Ganjo Takkar-1, Umair-1, Khirun-1, Nur West-1 and Sheikhan Bhutta-1 and five (5) development wells namely Mela-6, Kunnar West-2, Pasahki North-3 and Qadirpur HRL-13 & 14. Total meters drilled during the nine months period were 59,688 versus 55,949 in the preceding period.

Discoveries

OGDCL's exploratory endeavors to discover new hydrocarbon reserves yielded four (4) oil and gas discoveries having expected cumulative daily production of 47 MMcf of gas and 749 barrels of oil. These discoveries include Bhambara-1 in district Sukkur, Tando Allah Yar South West-1 in district Hyderabad, Umair-1 in district Ghotki, Sindh province and Dhok Hussain-1 in district Kohat, KPK province. Preliminary reserves estimate attributable to aforesaid discoveries is 116.87 billion cubic feet of gas and 1.40 million barrels of oil combined 20.45 million barrels of oil equivalent.

Development Projects

OGDCL's progressive efforts during the period under review resulted in the completion of Nashpa development project whereby LPG was brought into production on 14 February 2018. Moreover, Nashpa compression project has been initiated to meet front end raw gas compression requirement and to exploit maximum production potential which is expected to be completed in June 2019. At present, Nashpa plant is in normal operational mode while Nashpa field on daily basis is producing around 18,980 barrels of oil/NGL, 75 MMcf of gas and 180 Tons of LPG.

Apart from the above, OGDCL plans to up-grade plant facilities at Mela field along with laying of gas pipeline to Nashpa plant for the purpose of LPG extraction which is anticipated to be completed by June 2019. Whereas at Jhal Magsi field, government has reallocated gas to the Company for sale to third party through competitive bidding.

Production

OGDCL with its continuous effort and commitment towards production enhancement injected seventeen (17) new operated wells in the production system during the reporting period. Injected wells include Pakhro-1, Chanda-4, Dachrapur-3, Kunnar South-1, Tando Allah Yar-1, Chandio-1, Moolan-1, Resham-1, Nandpur-10, Pasahki North-3, Khamiso-1, Daru-1, Kunnar Deep-10, Qadirpur-25A & 58, Qadirpur-HRL 12 & 14. During the current period, injected wells cumulatively yielded gross crude oil and gas production of 359,267 barrels and 9,624 MMcf respectively. During July 2017-February 2018, the Company contributed around 47% and 28% of the Country's total oil and natural gas production respectively.

In order to sustain production from the mature wells, OGDCL during July 2017 - March 2018 carried out various successful rig/rigless workover jobs. The Company's average daily net crude production during nine months clocked at 41,509 barrels per day showing a decline of 6% in comparison to the corresponding period last year primarily owing to natural depletion at Kunnar, Palli, Pasahki, Rajian, Mela, Nashpa and Sinjhora fields. Moreover, production is influenced owing to short lifting of crude oil by refineries at Nashpa field with effect from 27 November 2017 to 29 December 2017.

OGDCL average daily net saleable production during the period is 1,020 MMcf per day which compared to the preceding period is lower by 3% mainly on account of natural decline at Loti, Qadirpur and Nashpa fields. Additionally, lower gas production is due to less gas intake at Uch-I and Uch-II fields by UPL-I and UPL-II respectively owing to tripping/shut-in of their turbines accompanied with no gas supply from Qadirpur field to Liberty Power Limited with effect from 16 December 2017 as per demand of SNGPL. Regarding LPG, OGDCL witnessed 66% production surge owing to production startup from Nashpa field in conjunction with production increase from KPD-TAY and non-operated JV fields.

During the period under review, average daily net saleable hydrocarbon production comprising crude oil, gas and LPG including share in both operated and non-operated JV fields is as follows:

Products	Unit of Measurement	9M 2017-18	9M 2016-17
Crude oil	Barrels per day	41,509	43,989
Gas	MMcf per day	1,020	1,051
LPG	Tons per day	682	411

Financial Results

OGDCL witnessed improved financial results for the period ended 31 March 2018 as its Sales Revenue and Profit before Tax climbed to 147.7b (9M 2016-17: Rs 126.6b) and Rs 80.2b (9M 2016-17: Rs 64.5b) showing growth of 17% and 24% respectively. Financial performance is primarily supported by increase in average basket price of crude oil which during the nine months period stood at US\$ 57.7/barrel against US\$ 48.8/barrel in the comparative period leading to higher average realized price of US\$ 51.6/barrel against US\$ 43.8/barrel in the last period.

In addition to the above, OGDCL recorded improvement in the realized price for gas and LPG averaging Rs 254.8/Mcf and Rs 54,922/ton compared with Rs 234.0/Mcf and Rs 43,185/ton respectively in the preceding period. Moreover, OGRA's wellhead price notification impact with respect to Mamikhel, Marmzai and Makori East fields amounting Rs 3.7b pertaining to the period prior to June 2015 complemented by increase in LPG production and positive exchange rate variance lent further strength to financials.

However, OGDCL's financial performance during the nine months period is slightly influenced by increase in operating expenditures up by 2.5% against corresponding period last year mainly on account of increase in salaries and wages and depreciation of fixed assets. Similarly, lower interest income and receipt with respect to signature bonus coupled with higher taxation during the period partially impacted business financials. Overall, Company recorded Profit after Tax of Rs 56.8b (9M 2016-17: Rs 47.6b) translating into Earnings per Share of Rs 13.21 (9M 2016-17: Rs 11.07).

Dividend

The Board has announced third interim cash dividend of Rs 2.75 per share (27.5%) for the year ending 30 June 2018. This is in addition to the first and second interim cash dividends of Rs 4.75 per share (47.5%) already declared and paid during the fiscal year.

Acknowledgement

The Board of Directors places on record its sincere appreciation for the continued patronage and cooperation extended by all the stakeholders that has always rendered the Company impetus to embrace business challenges and under take new development activities. The Board also wishes to place on record the dedicated contributions put in by the Company employees at all levels to ensure that the Company continues to grow and excel safely and responsibly.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Zahid Muzaffar', written over a horizontal line.

(Zahid Muzaffar)
Chairman

27 April 2018

Condensed Interim Balance Sheet [unaudited]

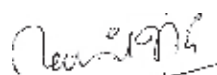
As at 31 March 2018

		Unaudited 31 March 2018	Audited 30 June 2017
	Note	----- (Rupees '000)- -----	
SHARE CAPITAL AND RESERVES			
Share capital		43,009,284	43,009,284
Reserves	4	12,860,038	12,093,287
Unappropriated profit		484,903,916	457,881,766
		540,773,238	512,984,337
NON CURRENT LIABILITIES			
Deferred taxation		19,785,009	19,638,412
Deferred employee benefits		19,711,255	19,026,984
Provision for decommissioning cost		23,611,916	22,027,796
		63,108,180	60,693,192
CURRENT LIABILITIES			
Trade and other payables	5	62,202,911	53,610,444
		666,084,329	627,287,973
CONTINGENCIES AND COMMITMENTS			
	6		

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

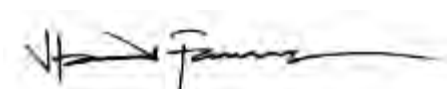


Chief Financial Officer



Chief Executive

		Unaudited 31 March 2018	Audited 30 June 2017
	Note	- - - - - (Rupees '000) - - - - -	
NON CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	7	124,544,735	128,336,018
Development and production assets - intangible	8	98,972,511	95,159,850
Exploration and evaluation assets	9	10,235,440	10,996,011
		233,752,686	234,491,879
Long term investments	10	26,717,785	42,665,810
Long term loans and receivable		6,835,672	6,817,374
Long term prepayments		1,382,858	852,691
		268,689,001	284,827,754
CURRENT ASSETS			
Stores, spare parts and loose tools		18,199,056	18,442,847
Stock in trade		289,590	376,390
Trade debts	11	146,940,988	118,574,468
Loans and advances	12	16,978,234	14,079,704
Deposits and short term prepayments		1,023,279	1,557,439
Interest accrued		22,844,964	21,873,164
Other receivables		191,939	440,997
Income tax - advance	13	39,637,454	49,601,329
Current maturity of term finance certificates and PIBs		71,750,000	102,059,086
Other financial assets	14	72,913,117	11,295,722
Cash and bank balances		6,626,707	4,159,073
		397,395,328	342,460,219
		666,084,329	627,287,973



Director

Condensed Interim Profit and Loss Account [unaudited]

For Nine Months Ended 31 March 2018

		Three months ended 31 March		Nine months ended 31 March	
		2018	2017	2018	2017
Note		----- (Rupees '000) -----			
Sales - net	15	51,752,229	45,548,571	147,712,496	126,629,700
Royalty		(5,680,099)	(4,933,398)	(15,641,903)	(13,761,338)
Operating expenses		(15,961,457)	(14,812,075)	(44,241,080)	(43,168,524)
Transportation charges		(436,487)	(464,046)	(1,271,844)	(1,300,236)
		(22,078,043)	(20,209,519)	(61,154,827)	(58,230,098)
Gross profit		29,674,186	25,339,052	86,557,669	68,399,602
Other income	16	4,593,315	3,261,090	11,260,018	12,569,839
Exploration and prospecting expenditure		(3,818,945)	(2,191,054)	(11,184,025)	(10,380,418)
General and administration expenses		(1,104,541)	(1,168,845)	(3,120,941)	(2,821,561)
Finance cost		(438,928)	(420,386)	(1,285,652)	(1,235,626)
Workers' profit participation fund		(1,480,835)	(1,264,054)	(4,219,196)	(3,395,774)
Share of profit in associate - net of taxation		711,609	461,212	2,156,847	1,383,636
Profit before taxation		28,135,861	24,017,015	80,164,720	64,519,698
Taxation	17	(7,986,186)	(6,430,611)	(23,343,468)	(16,924,890)
Profit for the period		20,149,675	17,586,404	56,821,252	47,594,808
Earnings per share - basic and diluted (Rupees)	18	4.68	4.09	13.21	11.07

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Chief Financial Officer

Chief Executive

Director

Condensed Interim Statement of Comprehensive Income [unaudited]

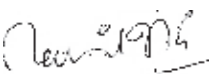
For Nine Months Ended 31 March 2018

	Three months ended 31 March		Nine months ended 31 March	
	2018	2017	2018	2017
	----- (Rupees '000) -----			
Profit for the period	20,149,675	17,586,404	56,821,252	47,594,808
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	20,149,675	17,586,404	56,821,252	47,594,808

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Cash Flow Statement [unaudited]

For Nine Months Ended 31 March 2018

		Nine Months ended 31 March	
		2018	2017
		- - - - (Rupees '000) - - - -	
Cash flows from operating activities			
Profit before taxation		80,164,720	64,519,698
Adjustments for:			
Depreciation		7,915,019	6,519,265
Amortization of development and production assets		10,601,261	13,372,152
Royalty		15,641,903	13,761,338
Workers' profit participation fund		4,219,196	3,395,774
Provision for employee benefits		3,494,907	2,620,643
Decommissioning cost		36,308	590,215
Un-winding of discount on provision for decommissioning cost		1,280,164	1,229,452
Interest income		(8,167,060)	(9,380,429)
Un-realized loss/(gain) on investments at fair value through profit or loss		22,883	(111,010)
Dividend income		(20,431)	(20,431)
Gain on disposal of property, plant and equipment		(3,945)	(38,116)
Share of profit in associate		(2,156,847)	(1,383,636)
Stores inventory written off		412,121	-
		113,440,199	95,074,915
Changes in:			
Stores, spare parts and loose tools		(168,330)	(424,252)
Stock in trade		86,800	(26,916)
Trade debts		(28,366,520)	(9,897,763)
Deposits and short term prepayments		534,160	139,305
Advances and other receivables		(2,667,770)	(3,648,757)
Trade and other payables		888,551	(40,372)
Cash generated from operations		83,747,090	81,176,159
Royalty paid		(13,555,014)	(13,881,312)
Employee benefits paid		(5,110,745)	(3,291,557)
Long term prepayments		(530,167)	(170,893)
Payment from self insurance reserve		(1,084)	(1,838)
Decommissioning cost paid		(158,772)	(1,149,243)
Payments to workers' profit participation fund-net		(1,291,445)	(4,237,231)
Income taxes paid		(13,232,996)	(21,880,864)
		(33,880,222)	(44,612,938)
Net cash from operating activities		49,866,868	36,563,221
Cash flows from investing activities			
Capital expenditure		(15,634,195)	(29,743,680)
Interest received		7,195,260	7,103,753
Dividends received		145,069	131,949
Encashment of investments		50,809,086	-
Purchase of investments		(2,519,765)	(422,366)
Proceeds from disposal of property, plant and equipment		25,522	54,032
Net cash generated from/(used in) investing activities		40,020,977	(22,876,312)
Cash flows from financing activities			
Dividends paid		(25,779,933)	(15,460,194)
Net cash used in financing activities		(25,779,933)	(15,460,194)
Net increase/(decrease) in cash and cash equivalents		64,107,912	(1,773,284)
Cash and cash equivalents at beginning of the period		15,074,591	19,034,930
Cash and cash equivalents at end of the period	19	79,182,503	17,261,646

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

Chief Financial Officer

Chief Executive

Director

For Nine Months Ended 31 March 2018

	Share capital	Reserves					Unappropriated profit	Total equity
		Capital reserve	Self insurance reserve	Share of capital redemption reserve in associated company	Share of self insurance reserve in associated company	Other reserves		
----- (Rupees '000) -----								
	43,009,284	836,000	7,470,000	2,118,000	20,000	85,373	425,093,910	478,632,567
	-	-	-	-	-	-	47,594,808	47,594,808
	-	-	-	-	-	-	47,594,808	47,594,808
	-	-	1,189,338	-	-	-	(1,189,338)	-
	-	-	(1,838)	-	-	-	-	(1,838)
	-	-	-	-	-	(22,446)	22,446	-

	-	-	-	-	-	-	(8,601,857)	(8,601,857)
	-	-	-	-	-	-	(6,451,393)	(6,451,393)
	-	-	-	-	-	-	(4,300,929)	(4,300,929)
	-	-	-	-	-	-	(19,354,179)	(19,354,179)
	43,009,284	836,000	8,657,500	2,118,000	20,000	62,927	452,167,647	506,871,358
	43,009,284	836,000	8,920,000	2,118,000	120,000	99,287	457,881,766	512,984,337

	-	-	-	-	-	-	56,821,252	56,821,252
	-	-	-	-	-	-	56,821,252	56,821,252
	-	-	788,584	-	-	-	(788,584)	-
	-	-	(1,084)	-	-	-	-	(1,084)
	-	-	-	-	-	(20,749)	20,749	-

	-	-	-	-	-	-	(8,601,857)	(8,601,857)
	-	-	-	-	-	-	(7,526,625)	(7,526,625)
	-	-	-	-	-	-	(12,902,785)	(12,902,785)
	-	-	-	-	-	-	(29,031,267)	(29,031,267)
	43,009,284	836,000	9,707,500	2,118,000	120,000	78,538	484,903,916	540,773,238

Balance as at 1 July 2016

Total comprehensive income for the period

Profit for the period

Other comprehensive income/ (loss) for the period

Total comprehensive income for the period

Transfer to self insurance reserve

Charged to self insurance reserve

Transfer from undistributed percentage return reserve by an associated company

Transactions with owners of the company

Final dividend 2016: Rs 2.00 per share

First interim dividend 2017: Rs 1.50 per share

Second interim dividend 2017: Rs 1.00 per share

Total distributions to owners of the company

Balance as at 31 March 2017

Total comprehensive income for the period

Profit for the period

Other comprehensive income/ (loss) for the period

Total comprehensive income for the period

Transfer to self insurance reserve

Charged to self insurance reserve

Transfer from undistributed percentage return reserve by an associated company

Transactions with owners of the company

Distributions

Final dividend 2017: Rs 2.00 per share

First interim dividend 2018: Rs 1.75 per share

Second interim dividend 2018: Rs 3.00 per share

Total distributions to owners of the company

Balance as at 31 March 2018

The annexed notes 1 to 24 form an integral part of this condensed interim financial information.

James

Director

Devan

Chief Executive



Chief Financial Officer

Selected Notes to and forming part of the Condensed Interim Financial Information [unaudited]

For Nine Months Ended 31 March 2018

1 LEGAL STATUS AND OPERATIONS

Oil and Gas Development Company Limited (OGDCL), 'the Company', was incorporated on 23 October 1997 under the Companies Ordinance, 1984. The Company was established to undertake exploration and development of oil and gas resources, including production and sale of oil and gas and related activities formerly carried on by Oil and Gas Development Corporation, which was established in 1961. The registered office of the Company is located at OGDCL House, Plot No. 3, F-6/G-6, Blue Area, Islamabad, Pakistan. The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Global Depository Shares (1GDS = 10 ordinary shares of the Company) of the Company are listed on the London Stock Exchange.

2 BASIS OF PREPARATION

This condensed interim financial information of the Company for nine months period ended 31 March 2018 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed. The disclosures in this condensed interim financial information do not include those reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 2017. Comparative balance sheet is extracted from the audited annual financial statements as of 30 June 2017, whereas comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity are stated from unaudited condensed interim financial information for the nine months period ended 31 March 2017.

This condensed interim financial information is unaudited and is being submitted to the members as required under Section 237 of Companies Act, 2017 and Rule Book of Pakistan Stock Exchange Limited.

3 ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policies are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2017.

		Unaudited 31 March 2018	Audited 30 June 2017
		----- (Rupees '000) -----	
4 RESERVES	Note		
Capital reserves:			
Capital reserve	4.1	836,000	836,000
Self insurance reserve	4.2	9,707,500	8,920,000
Capital redemption reserve fund - associated company	4.3	2,118,000	2,118,000
Self insurance reserve - associated company	4.4	120,000	120,000
Other reserves:			
Undistributed percentage return reserve - associated company	4.5	78,538	99,287
		<u>12,860,038</u>	<u>12,093,287</u>

4.1 This represents bonus shares issued by former wholly owned subsidiary - Pirkoh Gas Company (Private) Limited (PGCL) prior to merger.

4.2 The Company has set aside a specific capital reserve for self insurance of rigs, buildings, wells, plants, pipelines, workmen compensation, vehicle repair and losses for petroleum products in transit. Refer note 10.1 for investments against this reserve. Accordingly, the reserve is not available for distribution to shareholders.

4.3 This represents Company's share of profit set aside by an associated company to redeem redeemable preference shares in the form of cash to the preference shareholders.

Selected Notes to and forming part of the Condensed Interim Financial Information [unaudited]

For Nine Months Ended 31 March 2018

- 4.4 This represents Company's share of profit set aside by an associated company for self insurance of general assets, vehicles and personal accident for security personnel.
- 4.5 This represents Company's share of profit set aside by an associated company from distributable profits for the year related to undistributed percentage return reserve.

		Unaudited 31 March 2018	Audited 30 June 2017
Note		----- (Rupees '000) -----	
5	TRADE AND OTHER PAYABLES		
	Creditors	1,236,405	392,923
	Accrued liabilities	9,844,930	13,940,426
	Payable to partners of joint operations	5,885,004	5,415,565
	Retention money payable	5,758,346	5,066,326
	Royalty payable	2,707,507	620,618
	Gas Infrastructure Development Cess (GIDC) Payable	3,568,031	929,625
	Petroleum Levy payable	137,553	-
	Withholding tax payable	925,255	774,943
	Trade deposits	127,398	118,298
	Workers' profit participation fund - net	4,219,196	1,291,445
	Employees' pension trust	8,226,166	8,833,994
	Gratuity fund	168,651	122,881
	Un-paid dividend	17,129,504	13,862,361
	Un-claimed dividend	561,415	577,224
	Advances from customers	1,551,993	1,486,121
	Other payables	155,557	177,694
		<u>62,202,911</u>	<u>53,610,444</u>

- 5.1 This includes an amount of Rs 16,167 million (30 June 2017: Rs 13,250 million) payable to OGDCL Employees' Empowerment Trust (OEET). The payment of dividend has been withheld since GoP is considering to revamp Benazir Employees' Stock Option Scheme (BESOS) as communicated to the Company by Privatization Commission of Pakistan (PCP). Further, PCP vide letter no. F. No. 12(1)/PC/BESOS/2016 dated 16 August 2017 has informed that the matter of BESOS, as a scheme, is pending adjudication before the Honorable Supreme Court of Pakistan. Once finalized, OEET will be informed accordingly.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

- 6.1.1 Claims against the Company not acknowledged as debts amounted to Rs 1,668.949 million at period end (30 June 2017: Rs 1,568.441 million).
- 6.1.2 Certain banks have issued guarantees on behalf of the Company in ordinary course of business aggregating Rs 1.281 million (30 June 2017: Rs 1.321 million).
- 6.1.3 For contingencies related to tax matters, refer note 13.1 to 13.3 and note 17.1
- 6.1.4 For contingencies related to sales tax and federal excise duty, refer note 12.1 and 12.2

Selected Notes to and forming part of the Condensed Interim Financial Information [unaudited]

For Nine Months Ended 31 March 2018

6.2 Commitments

- 6.2.1** Commitments outstanding at period end amounted to Rs 35,443.334 million (30 June 2017: Rs 30,237.700 million). These include amounts aggregating to Rs 21,456.260 million (30 June 2017: Rs 22,567.871 million) representing the Company's share in the minimum work commitments under Petroleum Concession Agreements.
- 6.2.2** Letters of credit issued by various banks on behalf of the Company in ordinary course of the business, outstanding at period end amounted to Rs 4,986.509 million (30 June 2017: Rs 6,644.095 million).
- 6.2.3** The Company's share of associate commitments for the period ended 31 March 2018 is Rs 1,212.697 million (30 June 2017: Rs 1,280.869 million).

		Unaudited 31 March 2018	Audited 30 June 2017
7	PROPERTY, PLANT AND EQUIPMENT	----- (Rupees '000) -----	
	Carrying amount at beginning of the period/year	128,336,018	120,542,404
	Additions/adjustments during the period/year	4,893,961	18,348,662
	Book value of disposals	(21,577)	(104,450)
	Depreciation charge for the period/year	(8,663,667)	(10,033,682)
	Revision in estimate of decommissioning cost during the period/year	-	(416,916)
	Carrying amount at end of the period/year	<u>124,544,735</u>	<u>128,336,018</u>
7.1	Additions/adjustments during the period/year		
	Freehold land	-	8,068
	Buildings, offices and roads on freehold land	23,901	74,748
	Buildings, offices and roads on leasehold land	200,558	1,018,107
	Plant and machinery	6,846,455	48,419,917
	Rigs	62,382	87,789
	Pipelines	558,471	3,296,028
	Office and domestic equipment	32,653	92,521
	Office and technical data computers	100,077	84,930
	Furniture and fixture	5,403	8,078
	Vehicles	50,903	266,713
	Decommissioning cost	7,298	898,055
	Capital work in progress (net)	(3,358,188)	(35,507,054)
	Stores held for capital expenditure (net)	364,048	(399,238)
		<u>4,893,961</u>	<u>18,348,662</u>
7.2	Property, plant and equipment comprises:		
	Operating fixed assets	111,203,546	112,002,909
	Capital work in progress	10,797,886	14,156,074
	Stores held for capital expenditure	2,543,303	2,177,035
		<u>124,544,735</u>	<u>128,336,018</u>

Selected Notes to and forming part of the Condensed Interim Financial Information [unaudited]

For Nine Months Ended 31 March 2018

		Unaudited 31 March 2018	Audited 30 June 2017
	Note	----- (Rupees '000)-	-----
8 DEVELOPMENT AND PRODUCTION ASSETS-INTANGIBLE			
Carrying amount at beginning of the period/year		95,159,850	87,990,960
Additions during the period/year		8,687,441	18,813,738
Transferred from exploration and evaluation assets during the period/year		5,726,481	3,360,821
Amortization charge for the period/year		(10,601,261)	(13,900,593)
Revision in estimates of decommissioning cost during the period/year		-	(1,105,076)
Carrying amount at end of the period/year		<u>98,972,511</u>	<u>95,159,850</u>
9 EXPLORATION AND EVALUATION ASSETS			
Balance at beginning of the period/year		8,720,362	5,153,857
Additions during the period/year		10,620,105	10,954,246
		<u>19,340,467</u>	<u>16,108,103</u>
Cost of dry and abandoned wells during the period/year		(5,863,271)	(4,026,920)
Cost of wells transferred to development and production assets during the period/year		(5,726,481)	(3,360,821)
		<u>(11,589,752)</u>	<u>(7,387,741)</u>
		<u>7,750,715</u>	<u>8,720,362</u>
Stores held for exploration and evaluation activities		2,484,725	2,275,649
Balance at end of the period/year		<u>10,235,440</u>	<u>10,996,011</u>
10 LONG TERM INVESTMENTS			
Investment in related party-associate, quoted			
Mari Petroleum Company Limited (MPCL)		7,140,681	5,108,472
Investments held to maturity			
Term Deposit Receipts (TDRs)	10.1	9,327,104	6,807,338
Investment in Pakistan Investment Bonds (PIBs)	10.2	-	50,809,086
Investment in Term Finance Certificates (TFCs)	10.3	82,000,000	82,000,000
		<u>98,467,785</u>	<u>144,724,896</u>
Less: Current maturity of TFCs and PIBs		<u>(71,750,000)</u>	<u>(102,059,086)</u>
		<u>26,717,785</u>	<u>42,665,810</u>

10.1 These represent investments in local currency TDRs carrying effective interest rate of 6.70% (30 June 2017: 6.50%) per annum. These investments are earmarked against self insurance reserve.

10.2 These represent investments in PIBs which were matured on 19 July 2017 and encashed by the Company.

10.3 This represents investment in Privately Placed Term Finance Certificates (TFCs) amounting to Rs 82 billion. In 2013, the Government of Pakistan, for partial resolution of circular debt issue prevailing in the energy sector, approved issuance of TFCs amounting to Rs 82 billion by Power Holding (Private) Limited (PHPL). These TFCs were subscribed by the Company in order to settle its overdue receivables from oil refineries and gas companies.

As per original terms, TFCs are for a period of seven (7) years including grace period of three (3) years carrying interest rate of KIBOR + 1%, payable semi-annually. The principal portion of these TFCs shall be paid in eight (8) equal installments starting from 42nd month of date of transaction. National Bank of Pakistan executed the transaction on 10 September 2012 as Trustee. These TFCs are secured by Sovereign Guarantee, covering the principal, markup, and/or any other amount becoming due for payment in respect of investment in TFCs. As per original terms, principal repayment amounting to

Selected Notes to and forming part of the Condensed Interim Financial Information [unaudited]

For Nine Months Ended 31 March 2018

Rs 51,250 million (30 June 2017: Rs 30,750 million) was past due as at 31 March 2018. Further, interest due as of 31 March 2018 was Rs 22,482 million (30 June 2017: Rs 18,989 million) of which Rs 22,125 million (30 June 2017: Rs 17,179 million) was past due as of the balance sheet date. The Company considers the principal and interest to be fully recoverable as these are backed by Sovereign Guarantee of Government of Pakistan.

On 23 October 2017, PHPL has communicated to the Company that a proposal was submitted by the Ministry of Energy (Power Division) to Economic Coordination Committee (ECC) of the Cabinet for extension in the tenure of TFCs of Rs 82 billion from 07 years to 10 years including extension in grace period from 03 years to 06 years. The ECC of the Cabinet considered and approved the proposal of Ministry of Energy (Power Division) subject to the condition that a revised term sheet, based on above, with the Company shall be agreed by PHPL. Pursuant to the approval, the principal installment payments shall be deferred till March 2019. PHPL has requested the Company to prepare revised term sheet for onward submission to Finance Division for approval. The Company has not yet agreed on the deferment plan and has requested Ministry of Energy to address the Company's point of view on overdue markup, etc and also define a mechanism of payments under the facility. Accordingly adjustments, if any, in the financial statements will be made on finalization of the matter.

	Unaudited 31 March 2018	Audited 30 June 2017
11 TRADE DEBTS	----- (Rupees '000) -----	
Un-secured, considered good	146,940,988	118,575,727
Un-secured, considered doubtful	110,730	110,730
	<u>147,051,718</u>	<u>118,686,457</u>
Provision for doubtful debts	(110,730)	(110,730)
Trade debts written off	-	(1,259)
	<u>146,940,988</u>	<u>118,574,468</u>

11.1 Trade debts include overdue amount of Rs 109,105 million (30 June 2017: Rs 82,707 million) on account of Inter-Corporate Circular debt, receivable from oil refineries and gas companies out of which Rs 64,856 million (30 June 2017: Rs 64,660 million) and Rs 31,845 million (30 June 2017: Rs 13,048 million) is overdue from related parties, Sui Southern Gas Company Limited and Sui Northern Gas Pipeline Limited respectively. The Government of Pakistan (GoP) is pursuing for satisfactory settlement of Inter-Corporate Circular debt issue. The Company considers this amount to be fully recoverable.

11.2 Included in trade debts is an amount of Rs 4,078 million (30 June 2017: Rs 2,981 million) receivable from three Independent Power Producers and a fertilizer Company on account of Gas Infrastructural Development Cess (GIDC) and related sales tax paid/payable thereon.

12 LOANS AND ADVANCES

12.1 This includes an amount of Rs 3,180 million (30 June 2017: Rs 3,180 million) paid under protest to Federal Board of Revenue (FBR) on account of sales tax demand raised in respect of capacity invoices from Uch Gas Field for the period July 2004 to March 2011. Based on Sales Tax General Order (STGO) 1 of 2000 dated 24 January 2000, the matter was argued before various appellate forums, however, the Supreme Court of Pakistan finally decided the issue against the Company on 15 April 2013. The FBR granted time relaxation to the Company for issuance of debit note for an amount of Rs 750 million for the period April 2011 to May 2012, accounted for as trade debt. Uch Power Limited (UPL) challenged the grant of time relaxation to the Company by FBR before Islamabad High Court. On 27 December 2013, the Honorable Court decided the matter in favor of the Company. In light of the Islamabad High Court decision, the Company has applied to FBR for obtaining condonation of time limit for issuing debit notes to UPL/revision of sales tax returns for the remaining amount of Rs 3,180 million for the period July 2004 to March 2011 and currently the matter is pending with FBR.

Selected Notes to and forming part of the Condensed Interim Financial Information [unaudited]

For Nine Months Ended 31 March 2018

UPL filed an Intra Court appeal against the decision of the Islamabad High Court (IHC). IHC through its order dated 17 November 2016 dismissed the intra court appeal in favour of the Company. UPL has filed Civil Petition for Leave to Appeal (CPLA) before the Honorable Supreme Court of Pakistan against the decision of IHC, which is yet not fixed for hearing. FBR has linked the disposal of OGDCL's condonation request with the outcome of UPL's aforementioned CPLA. The Company and its legal advisors are confident that CPLA of UPL before Honorable Supreme Court of Pakistan will also be decided in favour of the Company and required condonations will be obtained and the amount will be recovered from UPL. Accordingly no provision in this respect has been made in this condensed interim financial information.

- 12.2 This also includes recoveries of Rs 317 million (30 June 2017: Rs 317 million) made by the tax department against Sales Tax and Federal Excise Duty (FED) demand of Rs 6,968 million (30 June 2017: Rs 6,968 million) relating to periods July 2011 to June 2014. The Honorable Appellate Tribunal Inland Revenue (ATIR) has accepted the companies appeals for the period 2011-12, 2012-13 and 2013-14 and annulled the demands of Rs 260 million, Rs 1,821 million and Rs 4,887 million passed by the tax authorities being void ab-initio and without jurisdiction respectively.

		Unaudited 31 March 2018	Audited 30 June 2017
13	INCOME TAX-ADVANCE		
	Note	----- (Rupees '000) -----	
	Income tax- advance at beginning of the period/year	49,601,329	41,599,042
	Income tax paid during the period/year	13,232,996	25,616,740
	Income tax recovered by tax authorities during the period/year	-	3,963
	Provision for current taxation - Profit and loss account	(23,196,871)	(21,275,147)
	Tax credit related to remeasurement loss on employee retirement benefit plans for the period/year - Other Comprehensive Income	-	3,656,731
	Income tax - advance at end of the period/year	39,637,454	49,601,329
	13.1 to 13.3		

- 13.1 This includes amount of Rs 17,819 million (30 June 2017: Rs 17,819 million) paid to tax authorities on account of disallowance of actuarial loss amounting to Rs 35,209 million which the Company claimed in its return for the tax years 2014, 2015 and 2016. This actuarial loss was recognized in the books as a result of retrospective application of IAS 19 (as revised in June 2011) 'Employee Benefits' from the year ended 30 June 2014 and onwards. The Company has filed an appeal against the order of CIRA in Appellate Tribunal Inland Revenue which is currently pending. The management, based on opinion of its tax consultant, believes that the actuarial loss is an admissible expense under the tax laws and there is reasonable probability that the matter will be decided in favor of the Company by appellate forums available under the law.

- 13.2 During the year ended 30 June 2014, tax authorities raised demands of Rs 13,370 million by disallowing effect of price discount on sale of crude from Kunnar field and have recovered Rs 5,372 million (30 June 2017: Rs 5,372 million) from the Company upto 31 March 2018. During the year ended 30 June 2015, appeal before Appellate Tribunal Inland Revenue (ATIR) against the said demands were decided against the Company. The Company filed a reference application before Islamabad High Court (IHC) against the decision of ATIR. The Islamabad High Court remanded the case back to ATIR with the instructions to pass a speaking order. Further, ATIR has granted stay for sixty days with effect from 08 March 2018 or till the decision of the appeals, whichever is earlier. Management and its legal advisor are of the view that the price discount is not income of the Company and hence not liable to tax. Accordingly, management is confident that the matter will be resolved in favor of the Company as the discounted price for Kunnar field was finally determined by the Ministry of Energy (Petroleum Division) and the total amount of price discount amount has been paid to the Government of Pakistan (GoP) upon directions from the Ministry of Finance, to this effect.

- 13.3 Income tax advance includes Rs 3,580 million (30 June 2017: Rs 3,580 million) mainly on account of disallowances made by the Additional Commissioner Inland Revenue (ACIR) against workers' profit participation fund expense for tax year 2016 and decommissioning cost for tax year 2015 claimed by the Company in its return of income for the years ended 30 June 2015 and 2016. The Company has filed appeals with ATIR against the said disallowances. Management believes that these disallowances are against income tax laws and regulations and accordingly no provision has been made in this respect in this condensed interim financial information.

Selected Notes to and forming part of the Condensed Interim Financial Information [unaudited]

For Nine Months Ended 31 March 2018

		Unaudited 31 March 2018	Audited 30 June 2017
14 OTHER FINANCIAL ASSETS	Note	- - - - - (Rupees '000) - - - - -	
Investment in Term Deposits	14.1	20,675,738	10,915,518
Investment in Treasury Bills	14.2	51,880,058	-
Investment at fair value through profit or loss - NIT units		357,321	380,204
		<u>72,913,117</u>	<u>11,295,722</u>

14.1 This includes foreign currency TDRs amounting to USD 179.244 million (30 June 2017: USD 104.086 million), carrying interest rate ranging from 2.71% to 3.70% (30 June 2017: 2.75% to 3.35%) per annum, having maturities of three months to six months (30 June 2017: six months).

14.2 Treasury Bills are purchased on 14 March 2018 for 56 days at yield of 6.3554% per annum.

	Three months ended 31 March		Nine months ended 31 March	
	2018	2017	2018	2017
15 SALES - net	- - - - - (Rupees '000) - - - - -			
Gross sales				
Crude oil	23,705,335	20,903,482	62,376,163	54,389,956
Gas	30,851,217	28,718,206	95,061,747	86,300,830
Liquefied petroleum gas	4,910,934	2,590,279	12,626,440	5,635,245
Sulphur	104,739	10,193	213,230	245,029
Gas processing	24,015	22,127	71,167	74,330
	<u>59,596,240</u>	<u>52,244,287</u>	<u>170,348,747</u>	<u>146,645,390</u>
Government levies				
General sales tax	(5,386,471)	(4,554,008)	(15,859,378)	(13,443,822)
Gas Infrastructure Development Cess (GIDC)	(1,377,133)	(1,360,276)	(3,965,339)	(4,234,713)
Petroleum Levy	(316,020)	-	(524,569)	-
Excise duty	(764,387)	(781,432)	(2,286,965)	(2,337,155)
	<u>(7,844,011)</u>	<u>(6,695,716)</u>	<u>(22,636,251)</u>	<u>(20,015,690)</u>
	<u>51,752,229</u>	<u>45,548,571</u>	<u>147,712,496</u>	<u>126,629,700</u>

15.1 Gas sales include sales from Uch II and Nur-Bagla fields invoiced on provisional prices. There may be adjustment in revenue upon issuance of final wellhead prices notification by Ministry of Energy (Petroleum Division), impact of which cannot be determined at this stage.

15.2 Kunnar Pasahki Deep (KPD) field final discount on off spec gas will be agreed between Sui Southern Gas Company Limited and the Company upon execution of Gas Sale Agreement (GSA) and adjustment, if any, will be incorporated in the books on finalization of GSA.

15.3 In respect of six of its operated concessions, namely, Gurgalot, Sinjhoro, Bitrisim, Khewari, Nim and TAY Blocks and one non-operated Tal Block, Petroleum Concession Agreements (PCAs) were executed under the framework of Petroleum Policies 1994 and 1997. Later on, in pursuance to the option available under Petroleum Policy 2012, the Tal Block working interest owners wherein the Company's working interest is 27.7632% signed the Supplemental Agreement (SA) dated 28 August 2015 with the GoP for conversion of eligible existing and future discoveries under Tal PCA to the Petroleum Policy (PP), 2012. Further for aforementioned operated Concessions the Company also signed the SAs for conversion to PP 2012. Under the said arrangement, price regimes prevailing in PP 2007, PP 2009 and PP 2012 in terms of PP 2012 shall be applicable, correlated with the spud dates of the wells in the respective policies starting from 27 November 2007. The conversion package as defined in the SAs included windfall levy on natural gas only.

Selected Notes to and forming part of the Condensed Interim Financial Information [unaudited]

For Nine Months Ended 31 March 2018

Oil and Gas Regulatory Authority (OGRA) has notified the revised wellhead prices in accordance with the Tal block SA for the period from the commencement of production from the respective discoveries till 31 December 2017. Accordingly, the financial impacts of the price revision were duly accounted for in the financial statements for the years ended 30 June 2016 and 30 June 2017 and this condensed interim financial information on completion of the process laid down in the law and in line with the Company's accounting policy. Furthermore, this condensed interim financial information also include an amount of Rs 3,677 million which represents impact of the aforesaid gas price revisions of Tal block pertaining to the prior-period.

On 27 December 2017, the Ministry of Energy (Petroleum Division) notified amendments in Petroleum Policy 2012 after approval from the Council of Common Interests (CCI). These amendments include imposition of Windfall Levy on Oil/Condensate (WLO). Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 and 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On 03 January 2018, Directorate General Petroleum Concessions (DGPC) has required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on a legal advice, the Company is of the view that terms of the existing PCAs as amended to-date through the Supplemental Agreements already executed cannot unilaterally be amended by the GoP through introduction of amendment nor can the GoP lawfully require and direct that such amendments be made to include imposition of WLO retrospectively and nor the GoP unilaterally hold and direct that the gas price incentive to which the Company is presently entitled to and receiving under the conversion package as enshrined under the Supplemental Agreement stands withdrawn or the Company ceases to be eligible for such incentive in case of failure to adopt the unilateral amendments in the existing PCAs. Accordingly, the aforementioned amendments as well as the subsequent letters requiring implementation of the amendments are not enforceable or binding upon the Company.

The Company along with other Joint Venture Partners has challenged the applicability of WLO against the backdrop of Supplemental Agreements already executed pursuant to PP 2012 in the Honorable Islamabad High Court which has granted stay order against the CCI decision dated 24 November 2017 on imposition of WLO. Following a prudent approach, revenue for gas price incentive against supplemental agreements has not been accounted for by the Company on a point forward basis effective 24 November 2017. Moreover, the Company will continue to closely monitor the Court proceedings and may reconsider, if required, the revenue recognition position at the year end, i.e. 30 June 2018.

The cumulative past benefit accrued to the Company upto 23 November 2017 in the form of revenue and profit after tax is Rs 8,550 million and 4,426 million, respectively.

		Three months ended 31 March		Nine months ended 31 March	
		2018	2017	2018	2017
16	OTHER INCOME	----- (Rupees '000) -----			
	Note				
		2,723,206	2,911,529	8,167,060	9,380,429
		-	-	20,431	20,431
		36,913	9,353	(22,883)	111,010
		905,227	(3,649)	1,576,380	84,969
	16.1	717,877	146,778	1,056,872	2,323,390
		195,113	131,057	444,539	579,548
		<u>4,578,336</u>	<u>3,195,068</u>	<u>11,242,399</u>	<u>12,499,777</u>

16.1 This represents amounts received as signature bonus in respect of allocation of LPG quota.

Selected Notes to and forming part of the Condensed Interim Financial Information [unaudited]

For Nine Months Ended 31 March 2018

	Three months ended 31 March		Nine months ended 31 March	
	2018	2017	2018	2017
	----- (Rupees '000) -----			
17 TAXATION				
Current - charge for the period	7,954,621	6,017,563	23,196,871	16,799,504
Deferred - charge for the period	31,565	413,048	146,597	125,386
	<u>7,986,186</u>	<u>6,430,611</u>	<u>23,343,468</u>	<u>16,924,890</u>

- 17.1** Various appeals in respect of assessment years 1992-93 to 2002-03, tax years 2003 to 2016 are pending at different appellate forums in the light of the order of the Commissioner of Inland Revenue (Appeals) and decision of the Adjudicator, appointed by both the Company as well as the Federal Board of Revenue (FBR) mainly on the issues of decommissioning cost, depletion allowance, prospecting, exploration and development expenditure, tax rate and super tax. Total amount of tax demand against the major issues, raised in respect of assessment years 1992-93 to 2002-03 and tax years 2003-2016 amounts to Rs 77,037 million out of which an amount of Rs 73,696 million has been paid to tax authorities. Also refer to note 13.1 to 13.3 of this condensed interim financial information.

	Three months ended 31 March		Nine months ended 31 March	
	2018	2017	2018	2017
18 EARNINGS PER SHARE-BASIC AND DILUTED				
Profit for the period (Rupees '000)	<u>20,149,675</u>	<u>17,586,404</u>	<u>56,821,252</u>	<u>47,594,808</u>
Average number of shares outstanding during the period ('000)	<u>4,300,928</u>	<u>4,300,928</u>	<u>4,300,928</u>	<u>4,300,928</u>
Earnings per share-basic (Rupees)	<u>4.68</u>	<u>4.09</u>	<u>13.21</u>	<u>11.07</u>

There is no dilutive effect on the earnings per share of the Company.

	Unaudited 31 March 2018	Unaudited 30 June 2017
19 CASH AND CASH EQUIVALENTS	----- (Rupees '000) -----	
Cash and bank balances	6,626,707	7,594,505
Short term highly liquid investments	72,555,796	9,667,141
	<u>79,182,503</u>	<u>17,261,646</u>

20 RELATED PARTIES TRANSACTIONS

Government of Pakistan owns 74.97% (31 March 2017: 74.97%) shares of the Company. Therefore, all entities owned and controlled by the Government of Pakistan are related parties of the Company. Other related parties comprise associated company, major shareholders, directors, companies with common directorship, key management personnel, OGDCL employees empowerment trust and employees pension trust. The Company in normal course of business pays for electricity, gas and telephone to entities controlled by Government of Pakistan which are not material, hence not disclosed in this condensed interim financial information. Transactions of the Company with related parties and balances outstanding at period end are as follows:

Selected Notes to and forming part of the Condensed Interim Financial Information [unaudited]

For Nine Months Ended 31 March 2018

	Nine months ended 31 March	
	2018	2017
	----- (Rupees '000) -----	
Associated company - MPCL		
Share of profit in associate - net of taxation	2,156,847	1,383,636
Dividend received	124,638	111,518
Share (various fields) -net payable	42,131	-
Share (various fields) -net receivable	-	101,008
Major shareholders		
Government of Pakistan		
Dividend paid	19,589,041	11,608,000
Dividend paid - Privatization Commission of Pakistan	2,176,611	1,289,844
Dividend payable to GoP as at 31 March	-	2,902,080
OGDCL Employees' Empowerment Trust (OEET)		
Dividend payable	16,167,198	12,445,278
Related parties by virtue of common directorship and GoP holdings		
Government Holdings (Private) Limited (GHPL)		
GHPL share (various fields) - net receivable	1,911,702	2,107,681
Power Holding (Private) Limited (PHPL)		
Markup earned	4,401,535	4,393,111
Balance of investment in TFCs receivable not yet due as at 31 March	30,750,000	51,250,000
Balance of past due principal repayment on TFCs as at 31 March	51,250,000	30,750,000
Balance of markup receivable on TFCs not yet due as at 31 March	356,846	352,398
Balance of past due markup receivable on TFCs as at 31 March	22,125,060	22,179,472
State Bank of Pakistan		
Interest earned on Pakistan Investment Bonds (PIBs)	275,724	4,346,707
Balance of investment in PIBs and markup receivable as at 31 March	-	52,151,125
Balance of investment in Treasury Bills as at 31 March	51,880,058	-
Interest earned on Treasury Bills	2,239,189	-
Interest receivable on Treasury Bills as at 31 March	164,859	-
National Bank of Pakistan		
Balance of accounts as at 31 March	681,379	464,352
Balance of Investment (TDR) as at 31 March	9,327,104	6,807,338
Interest earned during the period	292,994	382,822
Pak Arab Refinery Company Limited		
Sale of crude oil	10,575,370	9,634,894
Trade debts as at 31 March	2,580,951	3,691,009
Pakistan Petroleum Limited		
Share (various fields) - net payable	744,291	1,857,582
Sui Northern Gas Pipelines Limited		
Sale of natural gas	43,391,008	37,127,413
Trade debts as at 31 March	40,408,293	23,519,971
Payable as at 31 March	-	73,880

Selected Notes to and forming part of the Condensed Interim Financial Information [unaudited]

For Nine Months Ended 31 March 2018

Nine months ended 31 March

2018

2017

RELATED PARTIES TRANSACTIONS - Continued

----- (Rupees '000) -----

Sui Southern Gas Company Limited

Sale of natural gas	27,677,034	22,899,555
Pipeline rental charges	27,495	27,495
Trade debts as at 31 March	71,166,654	72,189,390

Pakistan State Oil Company Limited

Sale of liquefied petroleum gas	513,924	202,208
Purchase of petroleum, oil and lubricants	2,619,588	2,386,882
Trade debts as at 31 March	1,867	1,867
Payable as at 31 March	51,531	107,814

National Insurance Company Limited

Insurance premium paid	329,669	214,437
Payable as at 31 March	-	18,486

National Logistic Cell

Crude transportation charges paid	603,433	756,648
Payable as at 31 March	735,518	606,957

Enar Petrotech Services Limited

Consultancy services	13,762	105,090
Payable as at 31 March	-	2,151

Enar Petroleum Refining Facility

Sale of crude oil	7,866,724	5,988,332
Trade debts as at 31 March	1,489,471	1,096,579

Other related parties

Contribution to staff benefit funds	3,299,022	2,142,923
Remuneration including benefits and perquisites of key management personnel	540,683	410,316

Key management personnel comprises chief executive, executive directors and general managers of the Company.

21 RISK MANAGEMENT

Financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements for the year ended 30 June 2017.

22 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

- 22.1 The Board of Directors approved interim cash dividend at the rate of Rs 2.75 per share amounting to Rs 11,828 million in its meeting held on 27 April 2018.

23 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 27 April 2018 by the Board of Directors of the Company.

24 GENERAL

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

Chief Financial Officer

Chief Executive

Director

مالیاتی نتائج

OGDCL نے 31 مارچ 2018 کو اختتام پذیر ہونے والے عرصے میں مالیاتی نتائج میں بہتری ریکارڈ کی۔ یہ اس بات سے عیاں ہے کہ کمپنی کی آمدن اور قبل از ٹیکس منافع بالترتیب 147.7 ارب روپے (126.6 ارب روپے: 17-2016 9M) اور 80.2 ارب روپے (64.5 ارب روپے: 9M 2016-17) رہا جو کہ 17 فی صد اور 24 فی صد کا اضافہ ظاہر کرتے ہیں۔ نو ماہ کے دورانیے میں مثبت مالیاتی نتائج کی وجہ اوسط باسکٹ قیمت میں اضافہ ہے جو کہ گزشتہ عرصے میں 48.8 امریکی ڈالر فی بیرل سے بڑھ کر 57.7 امریکی ڈالر فی بیرل کو پہنچ گیا اور نتیجتاً اوسط حاصل شدہ قیمت میں بہتری دیکھی گئی جو کہ 43.8 امریکی ڈالر فی بیرل سے بڑھ کر زیر جائزہ مدت میں 51.6 امریکی ڈالر فی بیرل پر پہنچ گئی۔

مذکورہ بالا کے علاوہ، OGDCL نے گیس اور LPG کی اوسط حاصل شدہ قیمت میں بھی بہتری ریکارڈ کی جو کہ بالترتیب 254.8 روپے فی Mcf اور 54,922 روپے فی ٹن رہیں اور تقابلی دورانیے میں یہ قیمتیں 234.0 روپے فی Mcf اور 43,185 روپے فی ٹن تھیں۔ علاوہ ازیں، مامی خیل، مرم زئی اور مکوڑی ایسٹ فیلڈز کے بابت، اوگرا (OGRA) ویل ہیڈ قیمت کا نوٹیفکیشن جس سے کمپنی کو قبل از جون 2015 تک 3.7 ارب روپے کے فائدے، LPG کی پیداوار میں اضافے اور شرح مبادلہ کے بڑھاؤ نے بھی مالیات کو مزید تقویت فراہم کی۔

جب کہ OGDCL کی مالیاتی کارکردگی نو ماہ کے دورانیے میں آپریشنل اخراجات میں گزشتہ عرصہ کے مقابلے میں 2.5 فی صد اضافے کی وجہ سے جزوی طور پر متاثر ہوئی جس کی بنیادی وجہ تنخواہوں اور اجرتوں اور مقرر اثاثہ جات کی فرسودگی میں اضافہ ہیں۔ اسی طرح سود کی آمدنی اور signature bonus کی مد میں وصولیوں میں کمی اور اضافی ٹیکس نے بزنس کے مالیات پر اثر ڈالا۔ مجموعی طور پر کمپنی نے 56.8 ارب روپے بعد از ٹیکس منافع (47.6 ارب روپے: 17-2016 9M) درج کیا جو کہ 13.21 روپے فی حصہ کی آمدن پر منتج ہوا (11.07 روپے: 17-2016 9M)۔

منافع منقسمہ

بورڈ نے 30 جون 2018 کو اختتام پذیر ہونے والے مالی سال کے لئے تیسرے عبوری نقد منافع منقسمہ 2.75 روپے فی شیئر (27.5 فی صد) کا اعلان کیا ہے۔ یہ منافع منقسمہ مالی سال کے دوران پہلے اور دوسرے اعلان کردہ مجموعی عبوری منافع منقسمہ 4.75 روپے فی شیئر (47.5 فی صد) کے علاوہ ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز تمام متعلقین کی مسلسل حمایت اور تعاون پر ان کو خراج تحسین پیش کرتا ہے جنہوں نے کاروباری چیلنجز سے نمٹنے اور نئی ترقیاتی سرگرمیوں کو جاری رکھنے کے لئے ہمیشہ قوت فراہم کی۔ بورڈ تمام سطحوں پر کمپنی کے ملازمین کے عزم اور کاوشوں کو بھی ریکارڈ پر لا نا چاہتا ہے جو انہوں نے کمپنی کو محفوظ اور ذمہ دار انداز میں ترقی کی راہ پر گامزن رکھنے کے لئے سرانجام دی ہیں۔

بورڈ کی جانب سے



(زاہد مظفر)
چیئر مین

27 اپریل 2018

مذکورہ بالا کے علاوہ، میلہ فیلڈ پر پلانٹ کی سہولتوں کو اپ گریڈ کرنے اور LPG کی پیداوار کے حصول کے لئے OGDCL ٹیپا پلانٹ تک گیس پائپ لائن بچھانے کا ارادہ رکھتی ہے اور اس منصوبے کی تکمیل جون 2019 میں متوقع ہے جب کہ جھل مگسی فیلڈ پر حکومت نے تقابلی بولی کے ذریعے تیسرے فریق کو گیس فروخت کرنے کے لئے کمپنی کو گیس مختص کر دی ہے۔

پیداوار

OGDCL نے مسلسل کوشش اور پیداوار میں اضافے کے عزم کے ساتھ زیر جائزہ مدت کے دوران 17 نئے کنویں پیداوار کا کھد کرنے کے نظام میں شامل کئے۔ ان کنویں میں پاکھر و-1، چندا-4، ڈچراپور-3، کنر ساؤتھ-1، ٹنڈوالہ یار-1، چانڈیو-1، مولان-1، ریشم-1، مندپور-10، پسائی ناتھ-3، خمیسو-1، دارو-1، کنر ڈیپ-10، قادرپور-25A اور 58، قادرپور HRL-12 اور 14 شامل ہیں۔ ان کنویں سے نو ماہ کے دورانیے میں مجموعی طور پر 359,267 بیرل تیل اور 9,624 MMcf گیس کی پیداوار حاصل کی گئی۔ جولائی 2017 تا فروری 2018 کے دوران، ملک کی تیل و قدرتی گیس کی مجموعی پیداوار میں کمپنی کا حصہ بالترتیب 47 فی صد اور 28 فی صد رہا (ماخذ: PPIS)۔

OGDCL نے جولائی 2017 تا مارچ 2018 کے دوران پختہ کنویں سے پیداوار کو جاری رکھنے کے لئے متعدد کامیاب رگ/رگ لیس ورک اور زر سرانجام دیئے۔ کمپنی کی خام تیل کی اوسط یومیہ قطعی پیداوار 509,41 بیرل زہری جو کہ گزشتہ عرصے کے مقابلے میں 6 فی صد کم ہے جس کی بنیادی وجہ کنر، پالی، پسائی، راجیان، میلہ، ٹیپا، اور ستھور فیلڈز میں قدرتی طور پر کمی ہے۔ مزید برآں، 27 نومبر 2017 تا 29 دسمبر 2017 ریفائنریز کا ٹیپا فیلڈ سے کم تیل اٹھانا بھی کمپنی کی خام تیل کی پیداوار پر اثر انداز ہوا۔

OGDCL نے گیس کی اوسط یومیہ قطعی قابل فروخت پیداوار 1,020 MMcf ریکارڈ کی جو گزشتہ عرصے کے مقابلے میں 3 فی صد کم رہی اور جس کی بنیادی وجہ لوٹی، قادرپور اور ٹیپا میں قدرتی کمی ہے۔ اس کے علاوہ، گیس کی کم پیداوار کی وجوہات میں اُچ-ا اور اُچ-II فیلڈز سے بالترتیب UPL-I اور UPL-II کے ٹربائنز کی ٹرپنگ/شٹ ان کی وجہ سے کم گیس کا حصول اور لبرٹی پاور لمیٹڈ کو 16 دسمبر 2017 سے SGNPL کے مطالبے کے مطابق قادر پور فیلڈ سے گیس فراہمی کی بندش شامل ہیں۔ LPG کے بابت، OGDCL نے 66 فی صد کا اضافہ ریکارڈ کیا جس کی بنیادی وجہ ٹیپا فیلڈ سے پیداوار کے آغاز کے ساتھ ساتھ KPD-TAY اور غیر انتظام شدہ مشترکہ فیلڈز سے پیداوار میں اضافہ ہے۔

زیر جائزہ عرصے میں OGDCL کی بشمول اپنے زیر انتظام اور غیر انتظام شدہ مشترکہ فیلڈز سے خام تیل، گیس اور LPG کی یومیہ قابل فروخت پیداوار کی تفصیل درج ذیل ہے:

نومایہ 2016-17	نومایہ 2017-18	پیمائش کی اکائیاں	مصنوعات
43,989	41,509	بیرل یومیہ	خام تیل
1,051	1,020	MMcf یومیہ	گیس
411	682	ٹنر یومیہ	LPG

ڈائریکٹرز کا عبوری جائزہ

آئل اینڈ گیس ڈویلپمنٹ کمپنی لمیٹڈ (OGDCL) کے بورڈ آف ڈائریکٹرز 31 مارچ 2018 کو مکمل ہونے والی نو ماہی میں کمپنی کی آپریشنل اور مالیاتی کارکردگی اور عبوری مالیاتی معلومات کا مختصر جائزہ پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

تیل اور گیس کی تلاش اور ترقیاتی سرگرمیاں

OGDCL کا زیر تلاش رقبہ ملک میں دیگر E&P کمپنی کے زیر تلاش رقبے کے مقابلے میں سب سے زیادہ ہے جو کہ 31 مارچ 2018 کو 92,182 مربع کلومیٹر ہونے کی بنا پر ملک کے کل زیر تلاش رقبہ 276 فی صد ہے (ماخذ: PPIS)۔ بزنس کے تلاش کے اثاثہ جات ملک کے چاروں صوبوں میں پھیلے ہوئے ہیں اور موجودہ تلاش کے اجازت نامے 48 کل ملکیتی اور مشترکہ بلاکس پر مشتمل ہیں۔ علاوہ ازیں، دیگر کمپنیوں کے زیر انتظام تلاش و پیداوار کے رقبے میں 5 بلاکس میں عملی مفادات (working interest) بھی شامل ہیں۔

OGDCL نے جولائی 2017 تا مارچ 2018 کے دوران سیسمک ڈیٹا کے حصول کی سرگرمیوں کو جاری رکھتے ہوئے 1,582 لائن کلومیٹر 2D (3,293 لائن کلومیٹر: 17-2016 9M) اور 461 مربع کلومیٹر 3D (1,038 مربع کلومیٹر: 17-2016 9M) کا سیسمک ڈیٹا حاصل کیا۔ کمپنی کا حاصل کردہ 2D اور 3D سیسمک ڈیٹا ملک میں مجموعی طور پر حاصل کردہ سیسمک ڈیٹا کا بالترتیب 39 فی صد اور 63 فی صد ہے (ماخذ: PPIS)۔ مزید برآں، کمپنی نے 3,927 لائن کلومیٹر 2D اور 2,307 مربع کلومیٹر 3D سیسمک ڈیٹا کو اپنے ذرائع سے پرائس/ری پرائس کیا۔

مذکورہ بالا کے علاوہ، OGDCL نے زیر جائزہ مدت کے دوران، 8 آزمائشی کنویں بنام قادر ولی-1، شاوا X-1، عرس-1، گنٹو نگر-1، عمیر-1، خیرن-1، نور ویسٹ-1، اور شیخان بھٹ-1، اور 5 ترقیاتی کنویں بنام میلہ-6، کنر ویسٹ-2، پساخی نارتھ-3، اور قادر پور HRL-13 اور 14 کی کھدائی کی۔ کمپنی نے نو ماہ کی مدت کے دوران 59,688 میٹر کی کھدائی ریکارڈ کی جو کہ تقابلی دورانیہ میں 55,949 میٹر تھی۔

دریافتیں

OGDCL نے ہائیڈروکاربن کے ذخائر کی تلاش کی کوششوں کی بدولت زیر جائزہ مدت کے دوران 4 نئی تیل و گیس کی دریافتیں کیں جن کی ممکنہ مجموعی یومیہ پیداوار 47MMcf گیس اور 749 بیرلز تیل ہے۔ یہ دریافتیں بھامبرا-1 ضلع سکھر، ٹنڈوالہہ یا رساؤ تھ ویسٹ-1 ضلع حیدر آباد، عمیر-1 ضلع گھٹکی، صوبہ سندھ اور ڈھوک حسین-1 ضلع کوہاٹ، صوبہ خیبر پختون خواہ میں ہیں۔ مذکورہ دریافتوں کے حوالے سے ابتدائی مجموعی ذخائر کا تخمینہ 116.87 بلین کیوبک فیٹ گیس اور 1.40 بلین بیرلز تیل ہے جو کہ مشترکہ طور پر 20.45 بلین بیرلز تیل کے مساوی ہے۔

ترقیاتی منصوبہ جات

OGDCL نے زیر جائزہ مدت کے دوران نچا ترقیاتی منصوبے کی تکمیل کے لئے ترقیاتی سرگرمیوں کو جاری رکھا جس کے نتیجے میں 14 فروری 2018 کو LPG کی پیداوار کا آغاز ہوا۔ علاوہ ازیں فرنٹ اینڈ خام گیس کی کمپریشن کے حصول اور پیداوار کی بڑھوتری کے لئے نچا کمپریشن منصوبے کو بھی شروع کر دیا گیا ہے جس کی تکمیل جون 2019 میں ہونے کی توقع ہے۔ فی الوقت، نچا پلانٹ معمول کے مطابق آپریٹ کر رہا ہے اور نچا فیلڈ کی یومیہ پیداوار 18,980 بیرلز تیل/این جی ایل، 75MMcf گیس اور 180 ٹن LPG ہے۔



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