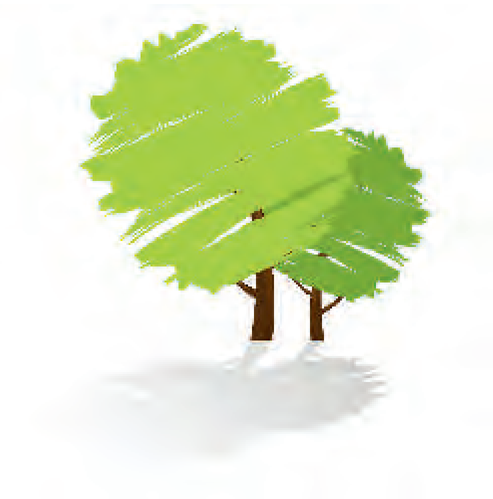
Oil & Gas Development Company Limited



Interim Report and Financial Information

Half Year Ended 31 December 2018

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Corporate Information

Board of Directors

Mr. Zahid Muzaffar	Chairman
Mian Asad Hayaud Din	Director
Dr. Akhtar Nazir	Director
Mr. Iskander Mohammed Khan	Director
Mr. Hamid Farooq	Director
Major General Sohail Ahmad Khan (Retd.)	Director
Mr. Zafar Masud	Director
Mr. Athar Hussain Khan Sial	Director
Mr. Sher Afgan Khan	Director
Mr. Zahid Mir	Managing Director/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,
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Phone: (PABX) +92 51 9209811-8
Fax: +92 51 9209804-6, 9209708
Website: www.ogdcl.com
Email: info@ogdcl.com

Share Registrar
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 condensed interim financial information for the half year ended 31 December 2018.

Exploration and Development Activities

Being the market leader in E&P sector of Pakistan, OGDCL possesses the largest exploration acreage which as of 31 December 2018 stood at 82,835 sq. km representing 26% of the Country's total area under exploration (source: PPIS). Its current exploration portfolio comprises forty six (46) owned and operated JV exploration licenses in addition to holding working interest in five (5) exploration blocks operated by other E&P companies.

In line with its exploration-led growth strategy to replenish reserves and enhance production, OGDCL during the period under review acquired 584 Line kms of 2D (1H 2017-18: 690 Line kms) and 394 sq. kms of 3D (1H 2017-18: 305 sq. kms) seismic data. Aforementioned, 2D and 3D seismic data acquisition represents 50% and 52% of total seismic data acquired in the Country, respectively (source: PPIS). Moreover, 4,109 Line kms of 2D seismic data has been processed/reprocessed using in-house resources.

In addition to the above, OGDCL during the reporting period spud six (6) wells comprising three (3) exploratory wells namely Siab-1, Qadirpur Deep X-1 and Garhi X-2 and three (3) development wells namely Qadirpur-60, Pasakhi NE-2 and Chanda-5. Furthermore, drilling and testing of five (5) wells pertaining to previous fiscal year have also been completed.

Discoveries

OGDCL's exploratory efforts to locate new hydrocarbon reserves during the period under review yielded two (2) oil and gas discoveries namely Chanda-1 and Mela-5 in district Kohat, KPK province. Expected cumulative daily production potential is 795 barrels of oil and 2.45 MMcf of gas. Preliminary reserves estimate is 89.80 billion cubic feet of gas and 9.33 million barrels of oil; combined 25.62 MMBOEs.

Development Projects

During the reporting period development work continued on Nashpa compression project whereby technical and financial evaluation for hiring of EPCC contractor through press tendering has been completed and project is expected to be completed in March 2020. Under Dhok Hussain development project, installation work with respect to gas processing facilities has been completed and supply of gas will be started after laying of gas pipeline by SNGPL. Likewise, up-gradation of plant facilities at Mela field and laying of gas pipeline to Nashpa plant for LPG and NGL extraction are underway and Mela development project is anticipated to be completed in June 2019.

Production

OGDCL being the national flagship of the Country's E&P sector is making all out efforts to maintain and enhance energy security of Pakistan. In this respect, the Company during six months period contributed around 46% and 29% of the Country's total oil and natural gas production respectively. Moreover, seven (7) new operated wells; Khirun-1, Nandpur-1, Kunnar-12, Qadirpur-59, Nim-1, Loti-5 and Pasakhi NE-2 were injected in the production gathering system which cumulatively yielded gross crude oil and gas production of 116,417 barrels and 2,251 MMcf respectively.

During the period under review, OGDCL on gross basis produced 19.4 MMBOEs (1H 2017-18: 19.0 MMBOEs) showing an increase of 2%. Despite natural decline and short lifting of crude oil by refineries at Kunnar, KPD-TAY, Nashpa and TOC fields owing to pile-up of furnace oil stock, Company's average net saleable crude oil production remained stable at 40,846 barrels per day owing to increase in production from Pasakhi, Chanda, Mela and NJV fields coupled with start-up of production at Chutto-1. However, average net saleable gas production in comparison to the corresponding period last year is slightly lower by 2% primarily on account of natural decline and less gas intake at Uch-I field due to extended ATA of UPL-I with effect from 16 October 2018 to 8 December 2018. Moreover, tripping of turbines at LPL, Engro Power and FKPCL along with decline in NJV production impacted gas output.

Regarding LPG production, OGDCL witnessed 24% surge mainly due to production commencement from Nashpa field in conjunction with increase in production from Sinjhoro and KPD fields. Average daily net saleable production including share in NJV fields during the period under review is as follows:

Products	Unit of Measurement	1H 2018-19	1H 2017-18
Crude oil	Barrels per day	40,846	41,310
Gas	MMcf per day	990	1,009
LPG	Tons per day	798	642
Sulphur	Tons per day	61	52
BOE	MMBOEs	19.4	19.0

Financial Results

OGDCL continues to deliver robust financial results for the half year ended 31 December 2018 as its Sales Revenue and Profit before Tax climbed to Rs 126.898 billion (1H 2017-18: Rs 95.960 billion) and Rs 84.739 billion (1H 2017-18: Rs 52.029 billion) showing growth of 32% and 63% respectively. These financials are primarily supported by increase in average basket price of crude oil which during the six months stood at US$ 72.34/barrel against US$ 54.29/barrel in the comparative period leading to higher average realized price of US$ 62.22/barrel against US$ 48.69/barrel in the relative period.

In addition to the above, OGDCL recorded increase in the realized price for gas and LPG averaging Rs 317.33/Mcf and Rs 69,295/ton compared with Rs 253.83/Mcf and Rs 53,591/ton, respectively in the comparative period. Moreover, financial results were leveraged by higher LPG production and rise in average exchange rate to Rs 129.92/US$ from Rs 106.08/US$ in the comparative period accompanied with increase in interest income and share of profit in associate. Furthermore, decline in exploration & prospecting expenditures and G&A expenses also contributed towards improved financial performance.

During the period under review, OGDCL's profitability was partially impacted by increase in operating expenses mainly on account of workover charges and amortization of D&P assets combined with higher taxation for the current period. Nonetheless, the Company recorded Profit after Tax of Rs 56.756 billion (1H 2017-18: Rs 36.672 billion) translating into Earnings per Share of Rs13.20 (1H 2017-18: Rs 8.53).

Dividend

The Board has announced second interim cash dividend of Rs 3.00 per share (30%) for the year ending 30 June 2019. This is in addition to the first interim cash dividend of Rs 2.75 per share (27.5%) already declared during this fiscal year.

Acknowledgement

The Board of Directors places on record its sincere appreciation for the continued patronage and cooperation extended by all the stakeholders to carry on the track record of delivering industry leading E&P performance. The Board also wishes to place on record dedicated contributions put in by the Company employees to ensure that OGDCL continues to grow and excel, safely and responsibly.

On behalf of the Board

(Zahid Mir)
Managing Director/CEO

(Zahid Muzaffar)
Chairman

22 February 2019

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Oil and Gas Development Company Limited ("the Company") as at 31 December 2018 and the related condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this 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 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 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 interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 12.1 to the accompanying interim financial statements which describes in detail matter 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 2018 and 2017 in the condensed interim statement of profit or loss and condensed interim statement of profit or loss and other comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partners on the audit resulting in this independent auditors' report are M. Imtiaz Aslam and Inam Ullah Kakra.

A.F. Ferguson & Co.
Chartered Accountants
Islamabad
27 February 2019

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad
27 February 2019

Condensed Interim Statement of Financial Position [unaudited]

As at 31 December 2018

	Note	Unaudited 31 December 2018	Audited 30 June 2018
		------(Rupees '000)------	
SHARE CAPITAL AND RESERVES			
Share capital		43,009,284	43,009,284
Reserves	4	13,835,174	13,366,622
Unappropriated profit		527,888,131	494,180,516
		584,732,589	550,556,422
NON CURRENT LIABILITIES			
Deferred taxation		19,589,881	19,980,119
Deferred employee benefits		21,537,201	21,280,694
Provision for decommissioning cost		20,397,526	19,465,075
		61,524,608	60,725,888
CURRENT LIABILITIES			
Trade and other payables	5	35,036,136	36,705,914
Unpaid dividend	6	21,352,041	18,169,267
Unclaimed dividend		216,515	319,706
		56,604,692	55,194,887
		702,861,889	666,477,197
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The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Chief Financial Officer	Chief Executive	Director

	Note	Unaudited 31 December 2018	Audited 30 June 2018
		- - - - - - (Rupees '000) - - - - - -	
NON CURRENT ASSETS			
Property, plant and equipment	8	120,465,125	124,063,611
Development and production assets - intangible	9	91,188,834	94,403,553
Exploration and evaluation assets	10	10,198,398	6,525,579
		221,852,357	224,992,743
Long term investments	11	19,835,959	27,617,446
Long term loans and receivable		7,762,847	7,344,145
Long term prepayments		739,125	664,958
		250,190,288	260,619,292
CURRENT ASSETS			
Stores, spare parts and loose tools		17,782,854	17,984,525
Stock in trade		521,566	346,829
Trade debts	12	198,577,909	163,691,820
Loans and advances	13	12,176,697	17,300,931
Deposits and short term prepayments		1,891,104	1,339,343
Other receivables		317,807	452,987
Income tax - advance	14	23,277,306	37,278,361
Current portion of long term investments		109,576,483	95,957,967
Other financial assets	15	76,920,725	67,834,662
Cash and bank balances		11,629,150	3,670,480
		452,671,601	405,857,905
		702,861,889	666,477,197

Chief Financial Officer | Chief Executive | Director

Condensed Interim Statement of Profit or Loss [unaudited]

For Six Months ended 31 December 2018

	Note	Three months ended 31 December		Six months ended 31 December	
		2018	2017	2018	2017
		(Rupees '000)			
Sales - net	16	65,098,572	51,997,872	126,897,761	95,960,267
Royalty		(7,363,317)	(5,529,872)	(14,239,713)	(9,961,804)
Operating expenses		(14,772,500)	(14,325,219)	(29,634,319)	(28,279,623)
Transportation charges		(404,618)	(419,806)	(787,931)	(835,357)
		(22,540,435)	(20,274,897)	(44,661,963)	(39,076,784)
Gross profit		42,558,137	31,722,975	82,235,798	56,883,483
Other income	17	7,752,360	3,556,011	11,850,503	6,666,703
Exploration and prospecting expenditure		(2,520,334)	(5,841,099)	(4,481,784)	(7,365,080)
General and administration expenses		(790,539)	(903,661)	(1,787,272)	(2,016,400)
Finance cost		(418,788)	(428,285)	(829,631)	(846,724)
Workers' profit participation fund		(2,388,201)	(1,454,718)	(4,459,962)	(2,738,361)
Share of profit in associate - net of taxation		1,183,177	988,428	2,211,624	1,445,238
Profit before taxation		45,375,812	27,639,651	84,739,276	52,028,859
Taxation	18	(15,354,451)	(7,977,601)	(27,982,918)	(15,357,282)
Profit for the period		30,021,361	19,662,050	56,756,358	36,671,577
Earnings per share - basic and diluted (Rupees)	19	6.98	4.57	13.20	8.53

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

Condensed Interim Statement of Comprehensive Income [unaudited]

For Six Months ended 31 December 2018

	Three months ended 31 December		Six months ended 31 December	
	2018	2017	2018	2017
	(Rupees '000)			
Profit for the period	30,021,361	19,662,050	56,756,358	36,671,577
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	30,021,361	19,662,050	56,756,358	36,671,577

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive

Director

Condensed Interim Statement of Changes in Equity [unaudited]

For Six Months ended 31 December 2018

	Share capital	Reserves: Capital reserves: Capital reserve	Reserves: Capital reserves: Self insurance reserve	Reserves: Capital reserves: Share of capital redemption reserve fund in associated company	Reserves: Capital reserves: Share of self insurance reserve in associated company	Reserves: Other reserves: Share of undistributed percentage return reserve in associated company	Unappropriated profit	Total equity
	(Rupees '000)							
Balance as at 1 July 2017	43,009,284	836,000	8,920,000	2,118,000	120,000	99,287	457,881,766	512,984,337
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	36,671,577	36,671,577
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	36,671,577	36,671,577
Transfer to self insurance reserve	-	-	525,592	-	-	-	(525,592)	-
Charged to self insurance reserve	-	-	(592)	-	-	-	-	(592)
Transfer from undistributed percentage return reserve by an associated company	-	-	-	-	-	(20,749)	20,749	-
Transactions with owners of the company								
Distributions								
Final dividend 2017: Rs 2.00 per share	-	-	-	-	-	-	(8,601,857)	(8,601,857)
First interim dividend 2018: Rs 1.75 per share	-	-	-	-	-	-	(7,526,625)	(7,526,625)
Total distributions to owners of the company	-	-	-	-	-	-	(16,128,482)	(16,128,482)
Balance as at 31 December 2017	43,009,284	836,000	9,445,000	2,118,000	120,000	78,538	477,920,018	533,526,840
Balance as at 1 July 2018	43,009,284	836,000	9,970,000	2,118,000	320,000	122,622	494,180,516	550,556,422
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	56,756,358	56,756,358
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	56,756,358	56,756,358
Transfer to self insurance reserve	-	-	525,317	-	-	-	(525,317)	-
Charged to self insurance reserve	-	-	(317)	-	-	-	-	(317)
Transfer from undistributed percentage return reserve by an associated company	-	-	-	-	-	(56,448)	56,448	-
Transactions with owners of the company								
Distributions								
Final dividend 2018: Rs 2.50 per share	-	-	-	-	-	-	(10,752,321)	(10,752,321)
First interim dividend 2019: Rs 2.75 per share	-	-	-	-	-	-	(11,827,553)	(11,827,553)
Total distributions to owners of the company	-	-	-	-	-	-	(22,579,874)	(22,579,874)
Balance as at 31 December 2018	43,009,284	836,000	10,495,000	2,118,000	320,000	66,174	527,888,131	584,732,589

The annexed notes 1 to 26 form an integral part of this condensed interim financial information.

Chief Financial Officer

Chief Executive

Director

Condensed Interim Statement of Cash Flows [unaudited]

For Six Months ended 31 December 2018

	Note	Six Months ended 31 December 2018	2017
		- - - - - (Rupees '000) - - - - -	
Cash flows from operating activities			
Profit before taxation		84,739,276	52,028,859
Adjustments for:			
Depreciation		5,560,942	5,166,713
Amortization of development and production assets		8,017,004	6,988,609
Royalty		14,239,713	9,961,804
Workers' profit participation fund		4,459,962	2,738,361
Provision for employee benefits		1,959,423	2,324,377
Decommissioning cost		-	22,348
Un-winding of discount on provision for decommissioning cost		826,108	843,240
Interest income		(6,738,403)	(5,443,854)
Un-realized loss on investments at fair value through profit or loss		47,491	59,796
Exchange gain on foreign currency investment and deposit accounts		(3,903,882)	-
Dividend income		(10,579)	(20,431)
Loss/ (gain) on disposal of property, plant and equipment		52,176	(1,842)
Stores inventory written off		56,817	1,774
Share of profit in associate		(2,211,624)	(1,445,238)
		107,094,424	73,224,516
Changes in:			
Stores, spare parts and loose tools		144,854	249,210
Stock in trade		(174,737)	44,930
Trade debts		(34,886,089)	(13,441,935)
Deposits and short term prepayments		(551,761)	(123,480)
Advances and other receivables		4,668,436	(741,092)
Trade and other payables		(3,119,116)	(2,914,998)
Cash generated from operations		73,176,011	56,297,151
Royalty paid		(14,787,292)	(7,859,586)
Employee benefits paid		(5,115,561)	(4,509,966)
Long term prepayments		(74,167)	184,118
Payment from self insurance reserve		(317)	(592)
Decommissioning cost paid		(1,933)	(117,972)
Receipt from/(payment to) workers' profit participation fund-net		172,276	(1,291,445)
Income taxes paid		(14,372,101)	(10,092,686)
		(34,179,095)	(23,688,129)
Net cash from operating activities		38,996,916	32,609,022
Cash flows from investing activities			
Capital expenditure		(9,465,155)	(10,319,858)
Interest received		3,369,897	6,064,951
Dividends received		65,245	68,537
Encashment of investments		9,327,104	50,809,086
Purchase of investments		(9,638,668)	(2,398,228)
Proceeds from disposal of property, plant and equipment		33,295	20,021
Net cash (used in)/ generated from investing activities		(6,308,282)	44,244,509
Cash flows from financing activities			
Dividends paid		(19,500,291)	(8,424,267)
Net cash used in financing activities		(19,500,291)	(8,424,267)
Net increase in cash and cash equivalents		13,188,343	68,429,264
Cash and cash equivalents at beginning of the period		71,169,841	15,074,591
Effect of movements in exchange rate on cash and cash equivalents		3,903,882	-
Cash and cash equivalents at end of the period	20	88,262,066	83,503,855

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

Chief Financial Officer | Chief Executive | Director

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 (now the Companies Act, 2017). 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

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where 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.

The disclosures in these condensed interim financial statements do not include those reported for full annual audited financial statements and should therefore be read in conjunction with the annual audited financial statements for the year ended 30 June 2018.

Comparative statement of financial position is extracted from the annual audited financial statements as of 30 June 2018, whereas comparative statement of profit or loss, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows are stated from unaudited condensed interim financial statements for the six months period ended 31 December 2017.

These condensed interim financial statements are unaudited and are 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 these interim financial statements and financial risk management policies are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2018, except for the change mentioned below:

3.1 IFRS 15 'Revenue from Contracts with Customers'

The IASB issued IFRS 15 Revenue from Contracts with Customers ("IFRS 15") in May 2014. This IFRS replaces IAS 18 Revenue, IAS 11 Construction Contracts and several revenue-related interpretations. IFRS 15 establishes a single revenue recognition framework which requires an entity to recognize revenue to reflect the transfer of goods and services for the amount it expects to receive, when control is transferred to the purchaser. IFRS 15 became applicable to the Company on 01 July 2018. The adoption of IFRS 15 did not have a material impact on the Company’s condensed interim financial statements.

Revenue Recognition

Revenue associated with the sale of crude oil, natural gas and liquefied petroleum gas is measured based on the consideration specified in contracts with customers. Revenue from contracts with customers is recognized when or as the Company satisfies a performance obligation by transferring a promised good or service to a customer. A good or service is transferred when the customer obtains control of that good or service. The transfer of control of oil, natural gas and liquefied petroleum gas coincides with title passing to the customer and the customer taking physical possession. The Company principally satisfies its performance obligations at a point in time and the amounts of revenue recognized relating to performance.

The Company collects signature bonus from its customers of liquefied petroleum gas at the time of signing of contracts against the allocation of fixed quantities to be supplied over the contract term. Accordingly performance obligation in case of signature bonus is satisfied over time and the Company recognize signature bonus over the term of contract.

3.2 IFRS 9 'Financial Instruments'

IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation became effective for annual periods beginning on or after 1 July 2018. However, Securities and Exchange Commission of Pakistan vide S.R.O. 229(I)/2019 dated 14 February 2019 has modified the effective date as "Reporting period/ year ending on or after 30 June 2019". IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

4 RESERVES

	Note	Unaudited 31 December 2018	Audited 30 June 2018
		------ (Rupees '000) ------	
Capital reserves:			
Capital reserve	4.1	836,000	836,000
Self insurance reserve	4.2	10,495,000	9,970,000
Capital redemption reserve fund - associated company	4.3	2,118,000	2,118,000
Self insurance reserve - associated company	4.4	320,000	320,000
Other reserves:			
Undistributed percentage return reserve - associated company	4.5	66,174	122,622
		13,835,174	13,366,622

4.1 This represents bonus shares issued by former wholly owned subsidiary - Pirkoh Gas Company (Private) Limited (PGCL) prior to merger. Accordingly, the reserve is not available for distribution to shareholders.

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 11.2 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.

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 period related to undistributed percentage return reserve.

	Unaudited 31 December 2018	Audited 30 June 2018
	- - - - - (Rupees '000) - - - - -	

5 TRADE AND OTHER PAYABLES

Creditors	648,162	1,208,256
Accrued liabilities	8,018,711	10,782,003
Payable to partners of joint operations	4,719,758	5,974,969
Retention money payable	6,542,376	5,871,359
Royalty payable	2,764,479	3,312,058
Gas Infrastructure Development Cess (GIDC) payable	3,608,844	3,186,871
Petroleum Levy payable	-	121,541
Withholding tax payable	950,034	756,528
Trade deposits	92,705	127,398
Workers' profit participation fund - net	4,459,962	-
Employees' pension trust	975,216	3,475,216
Gratuity fund	221,405	184,450
Provident fund	-	57,282
Advances from customers	1,855,495	1,437,482
Other payables	178,989	210,501
	35,036,136	36,705,914

6 UNPAID DIVIDEND

This includes an amount of Rs 19,625 million (30 June 2018: Rs 17,356 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. 13(4)12/PC/BESOS/OGDCL dated 15 May 2018 has informed that the matter of BESOS, as a scheme, is pending adjudication before the Honorable Supreme Court of Pakistan, hence status quo may be maintained till final decision of Honorable Supreme Court of Pakistan.

7 CONTINGENCIES AND COMMITMENTS

7.1 Contingencies

7.1.1 Claims against the Company not acknowledged as debts are amounted to Rs 1,636 million at period end (30 June 2018: Rs 1,846 million). Further during the period, a customer has filed a writ petition against the Company before Islamabad High Court and his disputed and withheld amounts invoiced to the customer on account of adjustment of premium or discount as announced by Saudi Aramco for deliveries to Asian customers/destinations under the sale agreement signed on 13 March 2018 of Rs 1,652 million and has also claimed the amounts already paid during the period 2007 to 2012 amounting to Rs 562 million. The Company believes that the debit notes/invoices have been raised in accordance with the sale agreements signed with Gop and no provision is required in this respect.

7.1.2 Certain banks have issued guarantees on behalf of the Company in ordinary course of business aggregating Rs 1.281 million (30 June 2018: Rs 1.281 million).

7.1.3 For contingencies related to tax matters, refer note 14.1 to 14.3 and note 18.1.

7.1.4 For contingencies related to sales tax and federal excise duty, refer note 13.1 and 13.2.

7.2 Commitments

7.2.1 Commitments outstanding at period end amounted to Rs 40,572.924 million (30 June 2018: Rs 34,262.915 million).

These include amounts aggregating to Rs 24,725.911 million (30 June 2018: Rs 22,048.770 million) representing the Company's share in the minimum work commitments under Petroleum Concession Agreements.

7.2.2 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 3,354.285 million (30 June 2018: Rs 5,106.050 million).

7.2.3 The Company's share of associate commitments for capital expenditures based on the financial information of the associate for the period ended 31 December 2018 was Rs 1,703 million (30 June 2018: Rs 1,386 million).

		Note	Unaudited 31 December 2018	Audited 30 June 2018
8	PROPERTY, PLANT AND EQUIPMENT		------(Rupees '000)------	
	Carrying amount at beginning of the period/year		124,063,611	128,336,018
	Additions/adjustments during the period/year	8.1	2,514,245	9,044,402
	Book value of disposals		(85,471)	(37,525)
	Depreciation charge for the period/year		(6,027,260)	(11,543,242)
	Revision in estimate of decommissioning cost during the period/year		-	(1,736,042)
	Carrying amount at end of the period/year	8.2	120,465,125	124,063,611
8.1	Additions/adjustments during the period/year			
	Buildings, offices and roads on freehold land		38,417	54,599
	Buildings, offices and roads on leasehold land		141,244	265,939
	Plant and machinery		1,669,076	16,856,552
	Rigs		8,774	143,776
	Pipelines		380,236	613,712
	Office and domestic equipment		13,635	44,599
	Office and technical data computers		57,088	115,400
	Furniture and fixture		6,339	7,328
	Vehicles		60,122	64,922
	Decommissioning cost		-	350,219
	Capital work in progress (net)		312,831	(11,792,337)
	Stores held for capital expenditure (net)		(173,517)	2,319,693
			2,514,245	9,044,402
8.2	Property, plant and equipment comprises:			
	Operating fixed assets		113,460,657	117,200,926
	Capital work in progress		2,676,568	2,363,737
	Stores held for capital expenditure		4,327,900	4,498,948
			120,465,125	124,063,611
9	DEVELOPMENT AND PRODUCTION ASSETS-INTANGIBLE			
	Carrying amount at beginning of the period/year		94,403,553	95,159,850
	Additions during the period/year		4,802,285	11,612,439
	Transferred from exploration and evaluation assets during the period/year		-	5,606,804
	Amortization charge for the period/year		(8,017,004)	(15,910,719)
	Revision in estimates of decommissioning cost during the period/year		-	(2,064,821)
	Carrying amount at end of the period/year		91,188,834	94,403,553

		Unaudited 31 December 2018	Audited 30 June 2018
		------(Rupees '000)-	- - - - -
10 EXPLORATION AND EVALUATION ASSETS			
Balance at beginning of the period/year		6,329,728	8,720,362
Additions during the period/year		5,231,148	13,302,297
		11,560,876	22,022,659
Cost of dry and abandoned wells during the period/year		(1,594,833)	(10,086,127)
Cost of wells transferred to development and production assets during the period/year		-	(5,606,804)
		(1,594,833)	(15,692,931)
		9,966,043	6,329,728
Stores held for exploration and evaluation activities		232,355	195,851
Balance at end of the period/year		10,198,398	6,525,579
11 LONG TERM INVESTMENTS			
Investment in related party-associate, quoted			
Mari Petroleum Company Limited (MPCL)		10,197,291	8,040,333
Investments held to maturity			
Term Deposit Receipts (TDRs)		-	9,513,663
Treasury Bills - Government of Pakistan (T-Bills)	11.2	9,692,064	-
Investment in Term Finance Certificates (TFCs)	11.3	109,523,087	106,021,417
		129,412,442	123,575,413
Less: Current portion shown under current assets	11.4	(109,576,483)	(95,957,967)
		19,835,959	27,617,446

11.1 During the period, MPCL issued 10% bonus shares i.e 2,205,000 shares, increasing the total number of shares held by the Company to 24,255,000 shares (30 June 2018: 22,050,000 shares).

11.2 This represents investment in T-Bill carrying effective yield of 10.11% (30 June 2018: Nil) per annum. This investment has maturity of less than 12 months, however, this has been classified as non-current assets based on the management's intention to reinvest in the like investment for a longer term. This investment is earmarked against self insurance reserve.

11.3 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), which is government owned entity and a related party. These TFCs were subscribed by the Company in order to settle its overdue receivables from oil refineries and gas companies.

As per original terms of investor agreement between the Company and PHPL, 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 Rs 61,500 million (30 June 2018: Rs 51,250 million) was past due as at 31 December 2018. Further, interest due as of 31 December 2018 was Rs 27,523 million (30 June 2018: Rs 24,021 million) of which Rs 25,213 million (30 June 2018: Rs 22,125 million) was past due as of the statement of financial position 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 machanism of payments under the facility. As of 31 December 2018, the Company expects to realise the TFCs in accordance with the original terms of the investor agreement and accordingly adjustments, if any, in the condensed interim financial statements will be made on finalization of the matter.

11.4 Current portion includes Rs Nil (30 June 2018: Rs 275 million), Rs 53 million (30 June 2018: Nil) and Rs 27,523 million (30 June 2018: Rs 24,021 million) representing accrued markup on TDRs, T-bill and TFCs respectively.

12 TRADE DEBTS

	Unaudited 31 December 2018	Audited 30 June 2018
	- - - - - - (Rupees '000)- - - - - -	
Un-secured, considered good	198,577,909	163,691,820
Un-secured, considered doubtful	110,730	110,730
	198,688,639	163,802,550
Provision for doubtful debts	(110,730)	(110,730)
	198,577,909	163,691,820

12.1 Trade debts include overdue amount of Rs 155,779 million (30 June 2018: Rs 121,313 million) on account of Inter-Corporate Circular debt, receivable from oil refineries and gas companies out of which Rs 81,718 million (30 June 2018: Rs 70,969 million) and Rs 55,155 million (30 June 2018: Rs 38,111 million) is overdue from related parties, Sui Southern Gas Company Limited and Sui Northern Gas Pipeline Limited respectively. The Government of Pakistan (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 Company's trade debts. The Company considers this amount to be fully recoverable because the Government of Pakistan has been assuming the responsibility to settle the Inter-corporate circular debt in the Energy sector.

12.2 Included in trade debts is an amount of Rs 4,125 million (30 June 2018: Rs 4,177 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.

13 LOANS AND ADVANCES

13.1 This includes an amount of Rs 3,180 million (30 June 2018: 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.

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. In January 2017, UPL filed Civil Petition for Leave to Appeal (CPLA) against the Company and others, before the Honorable Supreme Court of Pakistan against the decision of IHC, which is currently pending. 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 these condensed interim financial statements.

13.2 This also includes recoveries of Rs 317 million (30 June 2018: Rs 317 million) made by the tax department during the year ended 30 June 2016, against Sales Tax and Federal Excise Duty (FED) demand of Rs 7,373 million (30 June 2018: Rs 7,373 million) relating to periods July 2011 to June 2015. 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 respectively, passed by the tax authorities being void ab-intio and without jurisdiction respectively. The Commissioner Inland Revenue (CIRA) has filed sales tax reference before Islamabad High Court (IHC) against judgments of ATIR for the period 2012-13 and 2013-14 on 9 February 2018. The Company has filed appeal before ATIR for the period 2014-15 on 7 September 2018, which is currently pending before ATIR. These demands were raised by tax authorities due to difference between computation of sales/ production reported by the Company in its sales tax return and sales/ production based on other sources of data. The Company believes that these demands were raised without legal validity and will be decided by IHC and ATIR in its favour as already decided by ATIR for the years 2011-2014.

14 INCOME TAX-ADVANCE

	Note	Unaudited 31 December 2018	Audited 30 June 2018
		- - - - - - (Rupees '000)- - - - - -	
Income tax- advance at beginning of the period/year		37,278,361	49,601,329
Income tax paid during the period/year		14,372,101	20,885,846
Provision for current taxation - Profit or loss	18	(28,373,156)	(33,548,759)
Tax credit related to remeasurement gain/loss on employee retirement benefit plans for the period/ year - other comprehensive income		-	339,945
Income tax - advance at end of the period/year	14.1 to 14.3	23,277,306	37,278,361

14.1 This includes amount of Rs 21,467 million (30 June 2018: Rs 21,467 million) paid to tax authorities on account of disallowance of actuarial loss amounting to Rs 42,509 million which the Company claimed in its return for the tax years 2014, 2015, 2016 and 2017. 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 appeals against the orders of CIRA in Appellate Tribunal Inland Revenue (ATIR) for tax years 2014, 2015 and 2016 on 8 January 2016, 8 June 2017, and 5 January 2018 respectively, and against order of Additional Commissioner Inland Revenue (ACIR) in CIRA for tax year 2017 on 27 June 2018 which are 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.

14.2 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 2018: Rs 5,372 million) from the Company upto 31 December 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 vide order dated 17 February 2016, set aside the order of ATIR and remanded the case back to ATIR with the instructions to pass a speaking order. The appeal is currently pending before ATIR. Further, IHC vide order dated 14 January 2019 directed ATIR to decide the appeal expeditiously and until seven days after the Company's appeal, the tax department is restrained from adopting coercive measures for the recovery of the disputed tax liability in the event the appeal is dismissed. 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.

14.3 Income tax advance includes Rs 3,885 million (30 June 2018: Rs 3,885 million) mainly on account of disallowances made by the Additional Commissioner Inland Revenue (ACIR) in respect of decommissioning cost for tax year 2015 and workers' profit participation fund expense for tax year 2017 claimed by the Company in its return of income for the years ended 30 June 2015 and 2017. The Company has filed appeals against the said disallowances with ATIR on 8 June 2017 for tax year 2015 and with CIRA on 27 June 2018 for the tax year 2017, which are currently pending. Management believes that these disallowances are against income tax laws and regulations and accordingly no provision has been made in this respect in these condensed interim financial statements.

	Note	Unaudited 31 December 2018	Audited 30 June 2018
15 OTHER FINANCIAL ASSETS		(Rupees '000)	
Investment in Term Deposits Receipts (TDRs)	15.1	32,061,536	24,643,010
Investment in Treasury Bills - Government of Pakistan (T-Bills)	15.2	44,571,380	42,856,351
Investment at fair value through profit or loss - NIT units		287,809	335,301
		76,920,725	67,834,662

15.1 This includes foreign currency TDRs amounting to USD 230.352 million (30 June 2018: USD 202.542 million), carrying interest rate ranging from 3.75% to 7.75% (30 June 2018: 3.51% to 3.95%) per annum, having maturities upto six months (30 June 2018: six months).

15.2 Treasury Bill was purchased on 11 October 2018 for 84 days at yield of 8.60% per anum (30 June 2018: Purchased on 26 June 2018 for 50 days at yield of 6.751 % per anum).

	Three months ended 31 December 2018	Three months ended 31 December 2017	Six months ended 31 December 2018	Six months ended 31 December 2017
16 SALES - net	(Rupees '000)			
Gross sales				
Crude oil	29,487,491	20,214,593	58,622,251	38,670,828
Gas	37,736,740	35,040,665	72,680,670	64,210,530
Liquefied petroleum gas	6,304,653	4,786,510	12,739,002	7,715,506
Sulphur	176,425	-	246,725	108,491
Gas processing	27,840	23,633	51,190	47,152
	73,733,149	60,065,401	144,339,838	110,752,507
Government levies				
General sales tax	(6,597,513)	(5,789,766)	(12,821,176)	(10,472,907)
Gas Infrastructure Development Cess (GIDC)	(952,905)	(1,283,450)	(2,418,480)	(2,588,206)
Petroleum Levy	(349,856)	(208,549)	(686,509)	(208,549)
Excise duty	(734,303)	(785,764)	(1,515,912)	(1,522,578)
	(8,634,577)	(8,067,529)	(17,442,077)	(14,792,240)
	65,098,572	51,997,872	126,897,761	95,960,267

16.1 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.

16.2 Kunnar Pasahki Deep (KPD) field final prices 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.

16.3 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.

Oil and Gas Regulatory Authority (OGRA) has been notifying the revised wellhead prices in accordance with the Tal block SA for the period from the commencement of production of the respective discoveries. Accordingly, the financial impacts of the price revision were duly accounted for in the financial statements for the years ended 30 June 2016, 30 June 2017 and 30 June 2018 on completion of the process laid down in the law and in line with the Company's accounting policy. The financial statements for the period ended 31 December 2017 included an amount of Rs 3,677 million which represented 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) dated 24 November 2017. 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 till next date of hearing against the CCI decision dated 24 November 2017 on imposition of WLO. As mentioned above, the Company on the advice of its legal counsel is confident that it has sound grounds to defend the aforesaid issue in the Court and that the issue will be decided in favour of the Company.

The cumulative past benefit accrued and recorded in these financial statements by the Company upto 23 November 2017 in the form of revenue and profit after tax is Rs 8,550 million and Rs 4,426 million, respectively. However, without prejudice to the Company's stance in the court case and as a matter of prudence, revenue of Rs 4,647 million related to gas price incentive against the supplemental agreements has been set aside on a point forward basis effective 24 November 2017 (the date of decision of CCI).

17 OTHER INCOME

	Note	Three months ended 31 December 2018	Three months ended 31 December 2017	Six months ended 31 December 2018	Six months ended 31 December 2017
		(Rupees '000)			
Interest income		3,788,543	2,744,051	6,738,403	5,443,854
Dividend income from NIT units		-	-	10,579	20,431
Un-realized loss on investments at fair value through profit or loss		(25,834)	(26,152)	(47,491)	(59,796)
Signature bonus		167,378	183,162	385,658	338,995
Exchange gain - net		3,624,753	609,945	4,479,586	671,153
Others		197,520	45,005	283,768	252,066
		7,752,360	3,556,011	11,850,503	6,666,703

18 TAXATION

	Three months 2018	Three months 2017	Six months 2018	Six months 2017
Current - charge for the period	14,914,760	8,059,518	28,373,156	15,242,250
Deferred - (Credit) / charge	439,691	(81,917)	(390,238)	115,032
	15,354,451	7,977,601	27,982,918	15,357,282

18.1 Various appeals in respect of assessment years 1992-93 to 2002-03, tax years 2003 to 2017 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 2003-2017 amounts to Rs 87,389 million out of which an amount of Rs 84,048 million has been paid to tax authorities and has also been provided for in these condensed interim financial statements. Also refer to note 14.1 to 14.3 of the financial statements. The Company computes tax based on the generally accepted interpretations of the tax laws and considering views followed by tax authorities to ensure that the sufficient provision for the purpose of taxation is available. According to management, the tax provision made in the financial statements is sufficient.

19 EARNINGS PER SHARE-BASIC AND DILUTED

	Three months ended 31 December 2018	Three months ended 31 December 2017	Six months ended 31 December 2018	Six months ended 31 December 2017
Profit for the period (Rupees '000)	30,021,361	19,662,050	56,756,358	36,671,577
Average number of shares outstanding during the period ('000)	4,300,928	4,300,928	4,300,928	4,300,928
Earnings per share-basic (Rupees)	6.98	4.57	13.20	8.53

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

20 CASH AND CASH EQUIVALENTS

	Note	Six months ended 31 December 2018	Six months ended 31 December 2017
		(Rupees '000)	
Cash and bank balances		11,629,150	9,584,312
Short term highly liquid investments			
Investment in Term Deposit Receipts	15.1	32,061,536	17,791,608
Investment in Treasury Bills	15.2	44,571,380	56,127,935
		76,632,916	73,919,543
		88,262,066	83,503,855

21 FAIR VALUE HIERARCHY

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company held the following financial assets at fair value:

	Level 1	Level 2	Level 3
31 December 2018			
Other financial assets - NIT units	287,809	-	-
30 June 2018			
Other financial assets - NIT units	335,301	-	-

22 RELATED PARTIES TRANSACTIONS

Government of Pakistan owns 74.97% (30 June 2018: 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 these condensed interim financial statements. Transactions of the Company with related parties and balances outstanding at period end are as follows:

	Six Months ended 31 December	
	2018	2017
	- - - - - (Rupees '000) - - - - -	
MPCL- Associated company (20% share holding of the Company)		
Share of profit in associate - net of taxation	2,211,624	1,445,238
Dividend received	54,666	48,106
Share (various fields) receivable	-	27,474
Share (various fields) payable	242,076	-
Major shareholders		
Government of Pakistan (74.97% share holding)		
Dividend paid	15,235,921	5,804,160
Dividend paid - Privatization Commission of Pakistan	1,692,920	644,922
Dividend payable to GoP as at 31 December	-	5,078,640
OGDCL Employees' Empowerment Trust (OEET) (10.05% share holding)		
Dividend payable	19,624,711	14,870,631
Related parties by virtue of GoP holdings & common directorship		
Sui Northern Gas Pipelines Limited		
Sale of natural gas	30,900,933	29,994,170
Trade debts as at 31 December	66,070,793	29,554,402

	Six Months ended 31 December 2018	2017
RELATED PARTIES TRANSACTIONS - Continued	- - - - - (Rupees '000) - - - - -	
Pakistan State Oil Company Limited		
Sale of liquefied petroleum gas	729,119	282,786
Purchase of petroleum, oil and lubricants	2,308,380	1,716,611
Trade debts as at 31 December	1,867	1,867
Payable as at 31 December	2,700	2,800
Pakistan Petroleum Limited		
Share (various fields) net-receivable	-	475,090
Share (various fields) net-payable	1,565,005	-
Pak Arab Refinery Company Limited		
Sale of crude oil	6,997,596	6,610,304
Trade debts as at 31 December	2,340,572	2,208,743
State Bank of Pakistan		
Interest earned on Pakistan Investment Bonds (PIBs)	-	275,724
Amount received on maturity of PIBs	-	53,692,130
Balance of investment in Treasury Bills as at 31 December	54,263,444	63,528,785
Interest earned on Treasury Bills	2,013,010	1,385,628
Related parties by virtue of GoP holdings		
Government Holdings (Private) Limited (GHPL)		
GHPL share (various fields) receivable	1,710,343	1,730,604
Power Holding (Private) Limited (PHPL)		
Markup earned	3,501,670	2,952,404
Balance of investment in TFCs receivable not yet due as at 31 December	20,500,000	41,000,000
Balance of past due principal repayment on TFCs as at 31 December	61,500,000	41,000,000
Balance of markup receivable on TFCs not yet due as at 31 December	2,310,153	1,815,121
Balance of past due markup receivable on TFCs as at 31 December	25,212,933	19,217,655
Sui Southern Gas Company Limited		
Sale of natural gas and LPG	25,855,188	17,908,258
Pipeline rental charges	18,330	18,330
Trade debts as at 31 December	90,876,978	71,411,453
National Bank of Pakistan		
Balance of accounts as at 31 December	1,292,049	2,913,912
Interest earned during the period	20,330	539,881
National Insurance Company Limited		
Insurance premium paid	522,628	241,763
National Logistic Cell		
Crude transportation charges paid	700,153	405,597
Payable as at 31 December	763,726	407,642
Enar Petrotech Services Limited		
Consultancy services	22,158	10,797
Payable as at 31 December	1,700	1,239
Enar Petroleum Refining Facility		
Sale of crude oil	6,909,800	5,021,941
Trade debts as at 31 December	1,473,926	1,615,750
Other related parties		
Contribution to pension fund	3,972,564	3,299,021
Remuneration including benefits and perquisites of key management personnel	302,173	339,850

23 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 2018.

24 NON ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors approved interim cash dividend at the rate of Rs 3.00 per share amounting to Rs 12,903 million in its meeting held on 22 February 2019.

25 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 22 February 2019 by the Board of Directors of the Company.

26 GENERAL

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

Chief Financial Officer	Chief Executive	Director

مذکورہ بالا کے علاوہ، OGDCL نے گیس اور LPG کی اوسط حاصل شدہ قیمت میں بھی اضافہ ریکارڈ کیا جو کہ گزشتہ عرصے میں بالترتیب 253.83 روپے فی Mcf اور 53,591 روپے فی ٹن سے بڑھ کر 317.33 روپے فی Mcf اور 69,295 روپے فی ٹن کو پہنچ گئی۔ مزید برآں, بڑھی ہوئی LPG کی پیداوار اور اوسط شرح مبادلہ جو کہ تقابلی مدت میں فی امریکی ڈالر 106.08 روپے سے بڑھ کر فی امریکی ڈالر 129.92 ہو گیا اور ساتھ ساتھ سود کی آمدنی اور ایسوسی ایٹ کمپنی میں منافع کے حصے میں اضافے نے کاروباری نتائج کو مزید تقویت بخشی۔ علاوہ ازیں، تلاش اور G&A اخراجات میں کمی نے بھی مالیاتی کارکردگی کی بہتری میں حصہ ڈالا۔

زیر جائزہ مدت کے دوران، OGDCL نے عملی اخراجات کے اضافے جن میں ورک اور چارجز اور ترقیاتی اور پیداواری اثاثہ جات کی اثاثہ بندی کے علاوہ ٹیکس کی شرح میں اضافے نے کمپنی کی مالیاتی کارکردگی پر جزوی اثر ڈالا۔ اس کے باوجود، کمپنی نے 56.756 ارب روپے بعد از ٹیکس منافع (36.672 ارب روپے: 1H 2017-18) درج کیا جو کہ 13.20 روپے فی حصہ کی آمدن پر منتج ہوا (8.53 روپے: 1H 2017-18)۔

منافع منقسمہ

بورڈ نے 30 جون 2019 کو اختتام پذیر ہونے والے مالی سال کے لئے دوسرے عبوری نقد منافع منقسمہ 3 روپے فی شیئر (30 فیصد) کا اعلان کیا ہے۔ یہ منافع منقسمہ رواں مالی سال کے دوران پہلے اعلان کردہ منافع منقسمہ 2.75 روپے فی شیئر (27.5 فیصد) کے علاوہ ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز تمام شراکت داروں کی مسلسل حمایت اور تعاون پر ان کو خراج تحسین پیش کرتا ہے جن کی حوصلہ افزائی کی وجہ سے OGDCL مارکیٹ لیڈنگ E&P کارکردگی کو جاری رکھے ہوئے ہے۔ بورڈ، کمپنی کے ملازمین کی جانب سے ان مخلصانہ کوششوں کو بھی ریکارڈ پر لانا چاہتا ہے جو انہوں نے OGDCL کی ترقی کو یقینی بنانے کے لئے محفوظ اور ذمہ دارانہ انداز میں سرانجام دی ہیں۔

بورڈ کی جانب سے

(زاہد مظفر)
چیئرمین

(زاہد میر)
منیجنگ ڈائریکٹر/CEO

22 فروری 2019

تیل وگیس کی پیداوار

پاکستان میں E&P شعبہ کی علم بردار کمپنی ہونے کے ناطے OGDCL ملک میں تیل وگیس کی پیداوار کو قائم رکھنے اور مزید بہتر بنانے کے لیے تمام تر کوششیں کر رہی ہے۔ اس حوالے سے، چھ ماہ کے دورانیہ میں کمپنی کی پیداوار ملک میں تیل وگیس کی کل پیداوار کا بالترتیب 46 فیصد اور 29 فیصد تھی۔ مزید براں، سات (7) نئے کنویں بنام کھیرون-1، نندپور-1، کنر-12، قادرپور-59، نم-1، لوٹی-5 اور پساخی NE-2 کو پیداواری نظام میں شامل کیا گیا جن سے مجموعی طور پر 116,417 بیرلز خام تیل اور 2,251 MMcf گیس کی پیداوار حاصل ہوئی ہے۔

زیر جائزہ مدت کے دوران، OGDCL نے مجموعی بنیاد پر 19.4 MMBOEs (1H 2017-18: 19.0 MMBOEs) پیداوار حاصل کی جو کہ 2 فیصد کے اضافہ کو ظاہر کرتی ہے۔ قدرتی کمی اور فرنس آئل کی بہتات کی وجہ سے ریفائنریز کا کنر، KPD-TAY، نشپاء اور TOC فیلڈز سے خام تیل کی شارٹ لفٹنگ (shortlifting) کے باوجود، کمپنی کی اوسط یومیہ قطعی قابلِ فروخت خام تیل کی پیداوار 40,846 بیرلز پر مستحکم رہی۔ اس کی بنیادی وجہ پساخی، چندا، میلہ اور NJV فیلڈ سے پیدوار میں اضافہ اور چھوٹو-1 سے پیداوار کا آغاز ہے۔ تاہم، گزشتہ سال کے اسی دورانیے کی نسبت یومیہ قطعی قابلِ فروخت گیس کی پیداوار میں 2 فیصد کم دیکھی گئی، جس کی بنیادی وجہ قدرتی کمی اور UPL-1 کا 16 اکتوبر 2018 تا 8 دسمبر 2018 تک توسیع شدہ سالانہ ٹرن اراؤنڈ (ATA) ہے جسکی بناء پر اُچ-1 فیلڈ سے کم پیداوار کا حصول ہوا۔ علاوہ ازیں، LPL، اینگرو پاور اور FKPCL پر ٹربائنز کی ٹرپنگ اور NJV کی پیداوار میں کمی نے گیس کی پیداوار کو متاثر کیا۔

LPG کی پیداوار کی بابت، OGDCL نے سنجھوڑو اور KPD فیلڈز سے پیداوار میں اضافے کے ساتھ نشپاء فیلڈ سے پیداوار کے آغاز کی وجہ سے 24 فیصد کا اضافہ ریکارڈ کیا۔ زیر جائزہ دورانیہ میں زیر انتظام اور غیر انتظام شدہ مشترکہ فیلڈز سے کمپنی کی یومیہ قابلِ فروخت قطعی پیداوار کی تفصیل درج ذیل ہے:

مصنوعات	پیمائش کی اکائیاں	پہلی ششماہی 2018-19	پہلی ششماہی 2017-18
خام تیل	بیرلز یومیہ	40,846	41,310
گیس	MMcf یومیہ	990	1,009
LPG	ٹنز یومیہ	798	642
سلفر	ٹنز یومیہ	61	52
BOE	MMBOEs	19.4	19.0

مالیاتی نتائج

OGDCL نے 31 دسمبر 2018 کو اختتام پذیر ہونے والے نصف سال میں مضبوط مالیاتی کارکردگی کی ترسیل جاری رکھی۔ کمپنی کی آمدن اور قبل از ٹیکس منافع بالترتیب 126.898 ارب روپے (95.960 ارب روپے: 1H 2017-18) اور 84.739 ارب روپے (52.029 ارب روپے: 1H 2017-18) رہا جو کہ بالترتیب 32 فیصد اور 63 فیصد کا اضافہ ظاہر کرتے ہیں۔ یہ مالی نتائج بنیادی طور پر اوسط باسکٹ قیمت میں اضافے کی وجہ سے ہیں جو کہ گزشتہ چھ ماہ کے دورانیے میں 54.29 امریکی ڈالر فی بیرل سے بڑھ کر 72.34 امریکی ڈالر فی بیرل کو پہنچ گئی، نتیجتاً اوسط حاصل شدہ قیمت میں تیزی دیکھی گئی جو کہ گزشتہ عرصے میں 48.69 امریکی ڈالر فی بیرل سے بڑھ کر 62.22 امریکی ڈالر فی بیرل ریکارڈ کی گئی۔

ڈائریکٹرز کا عبوری جائزہ

آئل اینڈ گیس ڈویلپمنٹ کمپنی لمیٹڈ (OGDCL) کے بورڈ آف ڈائریکٹرز 31 دسمبر 2018 کو مکمل ہونے والی ششماہی 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

پاکستان کے E&P شعبے میں مارکیٹ لیڈر ہونے کے ناطے OGDCL ملک میں تلاش کا سب سے بڑا رقبہ رکھتی ہے جو کہ 31 دسمبر 2018 کو 82,835 مربع کلومیٹر تھا اور ملک کے زیرِ تلاش رقبے کا 26 فیصد ہے (ماخذ: PPIS)۔ اس کے موجودہ تلاش کے اجازت نامے چھیالیس (46) کل ملکیتی اور مشترکہ بلاکس پر مشتمل ہیں اور اس کے علاوہ دیگر E&P کمپنیوں کے زیرِ انتظام تلاش و پیداوار کے رقبے میں پانچ (5) بلاکس میں بھی عملی مفادات (working interests) شامل ہیں۔

تلاش کی حکمتِ عملی کے تحت تیل و گیس کے ذخائر اور پیداوار میں اضافے کے حصول کے لئے OGDCL نے زیرِ جائزہ مدت کے دوران 584 لائن کلومیٹرز 2D (690 لائن کلومیٹرز: 1H 2017-18) اور 394 مربع کلومیٹرز 3D (305 کلومیٹرز: 1H 2017-18) کا سیسمک ڈیٹا حاصل کیا۔ مذکورہ حاصل کردہ 2D اور 3D سیسمک ڈیٹا ملک میں کل حاصل کردہ سیسمک ڈیٹا کا بالترتیب 50 فیصد اور 52 فیصد ہے (ماخذ: PPIS)۔ مزید برآں، کمپنی نے 4,109 لائن کلومیٹرز 2D سیسمک ڈیٹا کو اپنے ذرائع سے پراسیس/ری پراسیس بھی کیا۔

مذکورہ بالا کے علاوہ، OGDCL نے زیرِ جائزہ دورانیہ میں چھ (6) کنوؤں کی کھدائی کی جن میں تین (3) آزمائشی کنویں بنام سیاب-1، قادر پور ڈیپ X-1 اور گڑھی X-2 اور تین (3) پیداواری کنویں بنام قادر پور-60، پساخی NE-2 اور چندا-5 شامل ہیں۔ مزید برآں، گزشتہ مالی سال سے جاری پانچ (5) کنوؤں پر کھدائی اور جانچ کے عمل کو بھی مکمل کر لیا گیا ہے۔

تیل و گیس کی دریافتیں

OGDCL نے ہائیڈروکاربن کے نئے ذخائر کی تلاش کی کوششوں کی بدولت زیرِ جائزہ مدت کے دوران صوبہ خیبر پختون خواہ کے ضلع کوہاٹ میں چندا-1 اور میلہ-5 کے نام سے دو (2) نئی تیل و گیس کی دریافتیں کیں۔ اِن دریافتوں سے ممکنہ مجموعی یومیہ پیداوار 795 بیرلز تیل اور 2.45 MMcf گیس ہے۔ ابتدائی مجموعی ذخائر کا تخمینہ 89.80 بلین کیوبک فٹ گیس اور 9.33 ملین بیرلز تیل ہے جو کہ مشترکہ طور پر 25.62 ملین بیرلز تیل کے مساوی (MMBOEs) ہے۔

ترقیاتی منصوبہ جات

زیرِ جائزہ مدت کے دوران نشپا کمپریشن منصوبے پر ترقیاتی کام جاری رہا اور بذریعہ پریس ٹینڈرنگ (Press Tendering) EPCC کنٹریکٹر کی تکنیکی اور مالیاتی جانچ پڑتال کا کام مکمل کر لیا گیا ہے جبکہ منصوبے کی تکمیل مارچ 2020 میں متوقع ہے۔ ڈھوک حسین ترقیاتی منصوبے کے تحت، گیس پراسیسنگ سہولتوں کی تنصیبات کا کام بھی مکمل ہو چکا ہے اور SNGPL کی جانب سے گیس پائپ لائن بچھانے کے بعد گیس کی سپلائی کا آغاز کر دیا جائے گا۔ اسی طرح، میلہ فیڈ پر پلانٹ کی سہولتوں کو اپ گریڈ کرنے اور LPG اور NGL نکالنے کے لئے نشپا پلانٹ تک گیس پائپ لائن بچھانے کا کام جاری ہے جس کی تکمیل جون 2019 میں متوقع ہے۔

GROWTH

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