INTERIM REPORT AND FINANCIAL INFORMATION

Half Year Ended 31 December 2016

Oil & Gas Development Company Limited

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Corporate Information

Board of Directors

Mr. Zahid Muzaffar	Chairman
Mr. Arshad Mirza	Director
Mr. Saif Ullah Chattha	Director
Mr. Iskander Mohammed Khan	Director
Mr. Hamid Farooq	Director
Mr. Muhammad Ali Tabba	Director
Mr. Zafar Masud	Director
Prince Ahmed Omar Ahmedzai	Director
Sayed Shafqat Ali Shah	Director
Mr. Rahmat Salam Khattak	Director
Mr. Muhammad Yawar Irfan Khan	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 condensed interim financial information for the half year ended 31December 2016.

Exploration and Development Activities

OGDCL being the market leader in E&P sector of Pakistan holds the largest exploration acreage which as of 31 December 2016 stood at 115,604 sq. km representing 33% of the Country's total area under exploration (source: PPIS). Business exploration portfolio spreads across all four (4) provinces of the Country and currently constitute sixty (60) owned and operated joint venture exploration licenses. Moreover, the Company holds working interest in five (5) blocks operated by other exploration and production companies.

In pursuit to embark upon new growth opportunities and enhance production base, OGDCL's fast track seismic data acquisition continued during July-December 2016. This is witnessed by the fact that the Company's 2D and 3D seismic data acquisition during the reporting period is 2,039 Line km (1H 2015-16: 2,816 Line km) and 1,019 sq. km (1H 2015-16: 1,545 sq. km) which is 65% and 47% of the total seismic data acquired in the Country respectively (source: PPIS). The aforesaid seismic data has been gathered from exploratory blocks viz., Mari East, Kulachi, Pezu, Ranipur, Khanpur, Dakhni, Nur Bagla, Shaan, Zorgarh, Latamber, Rasmalan, Rasmalan West, Samandar, Kohat, Baratai, Parkini-A and Pasni West. In addition, the Company carried out geological field work of 147 Line km in Zhob exploration license. Moreover, 3,027 Line km of 2D and 3,595 sq. km of 3D seismic data of various blocks were processed/reprocessed using in-house resources.

OGDCL with an aim to replenish and augment hydrocarbon reserves and improve business profitability vigorously carried on its drilling campaign during the period under review. In this regard, the Company spud three (3) exploratory/appraisal wells namely Gundanwari-1, Ranipur-1 and Thal East-3 and four (4) development wells namely Mela-5, Chanda-4, Qadirpur-56 and Rajian-10 during the current period. In addition, drilling of fifteen (15) ongoing wells from the previous fiscal years continued, out of which drilling and testing of nine (9) wells have been completed while the Company drilled a total of 37,784 meters (1H 2015-16: 45,645 meters) during the reporting period.

Development Projects

Progressing towards increase in production, OGDCL during the period under review carried on the concerted efforts for completion of its ongoing development projects including Kunnar Pasakhi Deep-Tando Allah Yar (KPD-TAY), Uch-II, Nashpa-Mela and Soghri. In this regard, commissioning of gas processing units at KPD-TAY phase-II and supply of on-spec gas to Sui Southern Gas Company Limited from phase-I has started with effect from 1 September 2016 while LPG production started on 14 December 2016. At present, KPD-TAY field is producing around 2,450 barrels per day of crude oil, 160 MMcf per day of gas and 160 tons per day of LPG. The production will enhance after completion of commissioning of turbo expanders, sale gas compressors and dehydration units, performance test of all equipment and successful handover of the entire project by the contractor.

Under Nashpa-Mela development project, EPCC contractor is mobilized at site and design phase of the project has been completed. The project is expected to be completed by June 2017 leading to a daily incremental production of 1,100 barrels of crude oil, 10 MMcf of gas and 340 Tons of LPG. Relating to Soghri development project, project scope involves installation of gas sweeting unit and allied utilities at Dakhni site to process Soghri gas. To this end, amine unit has been shifted to the field and necessary equipment/material is procured while hiring of the PC contractor is in progress. Upon completion, daily incremental production of 20 MMcf of gas is anticipated.

Discoveries

OGDCL based on aggressive exploratory efforts to discover new hydrocarbon reserves during the half year ended 31 December 2016 announced three (3) exploration success having cumulative daily production potential of 29 MMcf of gas and 15 barrels of oil. These discoveries include Gundanwari-1, Mithri-1 in district Khairpur and Khamiso-1 in district Ghotki, Sindh province.

Production

OGDCL is pursuing a balanced production strategy encompassing intensified exploratory endeavors, focus on completion of ongoing development projects and utilization of latest production techniques to augment oil and gas output from its owned and operated joint venture fields. The aforesaid strategy has started to bear fruit with the Company's gross crude oil production touching the record level of 50,345 barrels per day on 28 November 2016 leading the business to witness an improved market share of 52% while gas volumes represent 28% of the Country's total natural gas production during July-December 2016 (source: PPIS).

OGDCL during the six months injected five (5) new operated wells in the existing production gathering system; Qadirpur HRL-11, Kunnar-11, Rajian-9 and Nashpa-6 & 7 which cumulatively yielded total gross crude oil production of 659,493 barrels and gas production of 3,086 MMcf. Moreover, production testing at wells of Qadirpur-56 and Khamiso-1 has been completed.

During the period under review, OGDCL in an effort to arrest natural decline and revive production from mature wells carried out successful workover jobs with rig at wells; Palli Deep-1, Rajian-2, Kunnar-8, Pasakhi-5, Pasakhi Deep-6 and Sono-8. Likewise, rig-less workover jobs were carried out at various wells to boost oil and gas production. Moreover to induce improvement in the current well flow parameters, pressure build-up survey jobs were completed at various wells of Nashpa, Pasakhi, Sinjhoro and Jakhro fields. As part of preventive maintenance plan, Annual Turn Around (ATA) of plants were carried out at Sinjhoro, Chanda, Nashpa, Bobi, Dakhni and Uch fields. Apart from this, installation and commissioning of cathodic protection system at Jakhro-1 and chemical injection package at wells; Chak 2-2, Lala Jamali-1 and Uch-13, 15 & 17 have been completed.

Against the backdrop of natural decline in some of the mature hydrocarbon producing fields, OGDCL's average net crude oil production witnessed an increase of +7% in comparison to the preceding period mainly owing to higher production from Kunnar, Rajian, Nashpa and Sinjhoro fields coupled with increase in the production from non-operated joint venture fields. The Company's average net saleable gas production is influenced by -3.6% primarily due to natural depletion coupled with high water cut at certain wells of Qadirpur field and production decline from non-operated joint venture fields mainly at Bhit, Badhra and Kandanwari. Moreover, choke reduction owing to high N2 concentration at Jakhro field, shut-in of Bahu-1 well on 5 September 2016 due to sand production and ATA of Engro with effect from 6 - 31 October 2016 at Maru-Reti field contributed to lower gas production in the current period. Regarding LPG, production surge of 21% is witnessed owing to start-up of production from KPD field in December 2016 coupled with production increase from Sinjhoro and non-operated joint venture fields.

The average daily net saleable hydrocarbon production relating to crude oil, gas and LPG during the period under review, including share in both operated and non-operated joint venture fields is as follows:

Products	Unit of Measurement	1st Half 2016-17	1st Half 2015-16
Crude oil	Barrels per day	42,880	40,028
Gas	MMcf per day	1,048	1,087
LPG	Tons per day	378	312

Moving on, OGDCL remains stead fast in its resolve to carry on vigorous exploratory endeavors, expedite completion of ongoing development projects and exercise financial discipline while undertaking new development activities to maintain and improve business operational performance alongside creating material value for the shareholders in the years to come.

Financial Results

Despite slight recovery of crude price observed during July-December 2016, six months average international oil prices remained low in comparison to the preceding period thus influencing OGDCL's financial performance. The

same is evident from the fact that average basket crude price during the current period is US$ 46.19/barrel compared to US$ 47.73/barrel in the corresponding period. This low international oil price resulted in reduced realized prices for crude oil and gas averaging US$ 41.46/barrel and Rs 233.40/Mcf against US$ 43.09/barrel and Rs 255.47/Mcf respectively in the last period. In addition, the Company's Sales affected by decrease in saleable gas production are partially offset by increase in crude oil and LPG production and slight raise in exchange rate to Rs 104.91 per US$ from Rs 104.19 per US$ in the comparative period leading the business to register Sales Revenue of Rs 81.081 billion (1H 2015-16: Rs 86.186 billion).

During the reporting period, higher prospecting expenditure on account of greater outsourced 2D seismic data acquisition coupled with larger cost of dry and abandoned wells in comparison to the same period last year impacted OGDCL's profitability. Additionally, higher operating expenses reflecting an increase in workover expenditures, amortization of development and production assets and depreciation of property, plant and equipment partially offset by enhanced other income influenced business financial results. This led the Company to record Profit after Tax of Rs 30.008 billion translating into Earnings per Share of Rs 6.98 for the half year ended 31 December 2016 (1H 2015-16: Rs 7.95 per share).

Dividend

The Board has announced second interim cash dividend of Rs 1.00 per share (10%) for the year ending 30 June 2017. This is in addition to the first interim cash dividend of Rs 1.50 per share (15%) already declared during the fiscal year.

Acknowledgement

The Board of Directors acknowledge the continued support and patronage extended by all the stakeholders which has always given OGDCL impetus to meet business challenges and register new records in an efficient and effective manner. The Board also wishes to place on record its appreciation for the dedicated contributions put in by the employees at all levels to drive forward the Company's operational and financial performance, safely and responsibly.

On behalf of the Board

(Zahid Muzaffar)
Chairman

17 February 2017

Auditors' Review Report to the Members

Introduction

We have reviewed the accompanying condensed interim balance sheet of Oil and Gas Development Company Limited ("the Company") as at 31 December 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and selected notes to the condensed interim financial information for the six-months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information 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 information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matters

The figures for the three months period ended 31 December 2016 and 2015 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

A. F. Ferguson & Co.
Chartered Accountants
Islamabad
Date: 17 February 2017

Engagement Partner: Asim Masood Iqbal

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad
Date: 17 February 2017

Engagement Partner: Syed Bakhtiyar Kazmi

Condensed Interim Balance Sheet [unaudited]
As at 31 December 2016

	Note	Unaudited 31 December 2016	Audited 30 June 2016
		------ (Rupees '000) ------	
SHARE CAPITAL AND RESERVES			
Share capital		43,009,284	43,009,284
Reserves	4	11,431,927	10,529,373
Unappropriated profit		439,145,380	425,093,910
		493,586,591	478,632,567
NON CURRENT LIABILITIES			
Deferred taxation		15,291,837	15,579,499
Deferred employee benefits		15,142,554	14,971,638
Provision for decommissioning cost		22,140,964	21,412,687
		52,575,355	51,963,824
CURRENT LIABILITIES			
Trade and other payables	5	62,003,742	58,969,148
		608,165,688	589,565,539
CONTINGENCIES AND COMMITMENTS	6		

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

Chief Executive

	Note	Unaudited 31 December 2016	Audited 30 June 2016
		(Rupees '000)	
NON CURRENT ASSETS			
Fixed assets			
Property, plant and equipment	7	122,782,678	120,542,404
Development and production assets - intangible	8	90,085,808	87,990,960
Exploration and evaluation assets	9	7,113,708	6,834,078
		219,982,194	215,367,442
Long term investments	10	52,077,028	112,517,292
Long term loans and receivable		6,557,586	5,997,669
Long term prepayments		1,029,208	882,466
		279,646,016	334,764,869
CURRENT ASSETS			
Stores, spare parts and loose tools		19,082,703	18,251,184
Stock in trade		383,587	291,904
Trade debts	11	119,864,672	111,204,186
Loans and advances	12	11,696,990	10,459,609
Deposits and short term prepayments		1,680,692	1,646,777
Interest accrued		23,815,866	21,085,027
Other receivables		236,961	182,211
Income tax - advance	13	43,647,558	41,599,042
Current maturity of term finance certificates and PIBs		92,153,950	30,750,000
Other financial assets	14	12,506,365	11,426,964
Cash and bank balances		3,450,328	7,903,766
		328,519,672	254,800,670
		608,165,688	589,565,539

Director

Condensed Interim Profit and Loss Account [unaudited]

For Six Months Ended 31 December 2016

	Note	Three months ended 31 December		Six months ended 31 December	
		2016	2015	2016	2015
		(Rupees '000)			
Sales - net	15	41,515,547	41,673,067	81,081,129	86,186,287
Royalty		(4,521,002)	(4,679,811)	(8,827,940)	(9,693,800)
Operating expenses		(15,277,395)	(13,934,047)	(28,356,449)	(26,568,277)
Transportation charges		(426,223)	(400,563)	(836,190)	(868,968)
		(20,224,620)	(19,014,421)	(38,020,579)	(37,131,045)
Gross profit		21,290,927	22,658,646	43,060,550	49,055,242
Other income	16	4,247,558	4,304,692	9,308,749	8,295,055
Exploration and prospecting expenditure		(3,867,628)	(2,906,371)	(8,189,364)	(4,713,466)
General and administration expenses		(924,651)	(897,014)	(1,652,716)	(1,812,319)
Finance cost		(412,165)	(407,966)	(815,240)	(832,659)
Workers' profit participation fund		(1,035,166)	(1,149,884)	(2,131,720)	(2,530,319)
Share of profit in associate - net of taxation		369,290	245,679	922,424	614,517
Profit before taxation		19,668,165	21,847,782	40,502,683	48,076,051
Taxation	17	(4,291,315)	(5,902,007)	(10,494,279)	(13,870,464)
Profit for the period		15,376,850	15,945,775	30,008,404	34,205,587
Earnings per share - basic and diluted (Rupees)	18	3.58	3.71	6.98	7.95

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

Chief Executive **Director**

Condensed Interim Statement of Comprehensive Income [unaudited]

For Six Months Ended 31 December 2016

	Three months ended 31 December		Six months ended 31 December	
	2016	2015	2016	2015
	(Rupees '000)			
Profit for the period	15,376,850	15,945,775	30,008,404	34,205,587
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	15,376,850	15,945,775	30,008,404	34,205,587

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

Chief Executive

Director

Condensed Interim Cash Flow Statement [unaudited]

For Six Months Ended 31 December 2016

	Note	Six months ended 31 December 2016	2015
		----- (Rupees '000) -----	
Cash flows from operating activities			
Profit before taxation		40,502,683	48,076,051
Adjustments for:			
Depreciation		4,146,084	3,419,375
Amortization of development and production assets		9,474,004	8,463,996
Impairment on assets		-	943,241
Royalty		8,827,940	9,693,800
Workers' profit participation fund		2,131,720	2,530,319
Provision for employee benefits		1,744,069	1,500,553
Decommissioning expense		473,261	-
Un-winding of discount on provision for decommissioning cost		811,769	825,791
Interest income		(6,468,900)	(6,817,785)
Un-realized (gain)/loss on investments at fair value through profit or loss		(101,657)	2,316
Dividend income		(20,431)	(19,296)
Gain on disposal of property, plant and equipment		(2,412)	(6,578)
Share of profit in associate		(922,424)	(614,517)
		60,595,706	67,997,266
Changes in:			
Stores, spare parts and loose tools		(831,519)	(2,330,574)
Stock in trade		(91,683)	34,714
Trade debts		(8,660,486)	(2,041,848)
Deposits and short term prepayments		(33,915)	(128,799)
Advances and other receivables		(1,852,048)	(1,405,338)
Trade and other payables		(1,568,374)	(3,597,228)
		47,557,681	58,528,193
Cash generated from operations			
Royalty paid		(7,381,263)	(9,708,457)
Employee benefits paid		(2,378,928)	(1,747,940)
Long term prepayments		(146,742)	(159,252)
Payment from self insurance reserve		(1,130)	-
Decommissioning cost paid		(872,404)	-
Payments to workers' profit participation fund		(4,450,000)	(6,685,550)
Income taxes paid		(12,830,457)	(17,685,680)
		(28,060,924)	(35,986,879)
Net cash from operating activities		19,496,757	22,541,314
Cash flows from investing activities			
Capital expenditure		(17,040,273)	(17,096,184)
Interest received		4,073,246	3,777,876
Dividends received		66,350	133,459
Purchase of investments		(422,366)	(522,843)
Proceeds from disposal of property, plant and equipment		12,885	21,995
Net cash used in investing activities		(13,310,158)	(13,685,697)
Cash flows from financing activities			
Dividends paid		(9,662,294)	(17,916,068)
Net cash used in financing activities		(9,662,294)	(17,916,068)
Net decrease in cash and cash equivalents		(3,475,695)	(9,060,451)
Cash and cash equivalents at beginning of the period		19,034,930	22,527,785
Cash and cash equivalents at end of the period	19	15,559,235	13,467,334

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

Chief Executive **Director**

	Share capital	Reserves							Unappropriated profit	Total equity
		Capital reserves						Other reserves		
		Capital reserve	Self insurance reserve	Share of exploration, evaluation and development reserve in associated company	Share of capital redemption reserve fund in associated company	Share of mari seismic unit reserve in associated company	Share of self insurance reserve in associated company	Share of undistributed percentage return reserve in associated company		
	(Rupees '000)									
Balance as at 1 July 2015	43,009,284	836,000	6,620,000	-	-	-	-	-	392,055,684	442,520,968
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	-	34,205,587	34,205,587
Other comprehensive income /(loss) for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	34,205,587	34,205,587
Transfer to self insurance reserve	-	-	426,009	-	-	-	-	-	(426,009)	-
Charged to self insurance reserve	-	-	(1,009)	-	-	-	-	-	1,009	-
Transfer to exploration, evaluation and development reserve by an associated company	-	-	-	858,744	-	-	-	-	(858,744)	-
Transfer to undistributed percentage return reserve by an associated company	-	-	-	-	-	-	-	-	-	-
Transfer to capital redemption reserve fund by an associated company	-	-	-	-	311,919	-	-	-	(311,919)	-
Transfer to reserve for Mari Seismic Unit by an associated company	-	-	-	-	-	120,534	-	-	(120,534)	-
Transactions with owners, recorded directly in equity										
Final dividend 2015: Rs 1.50 per share	-	-	-	-	-	-	-	-	(6,451,393)	(6,451,393)
First interim dividend 2016: Rs 1.50 per share	-	-	-	-	-	-	-	-	(6,451,393)	(6,451,393)
Total distributions to owners	-	-	-	-	-	-	-	-	(12,902,786)	(12,902,786)
Balance as at 31 December 2015	43,009,284	836,000	7,045,000	858,744	311,919	120,534	-	-	411,642,288	463,823,769
Balance as at 1 July 2016	43,009,284	836,000	7,470,000	-	2,118,000	-	20,000	85,373	425,093,910	478,632,567
Total comprehensive income for the period										
Profit for the period	-	-	-	-	-	-	-	-	30,008,404	30,008,404
Other comprehensive income /(loss) for the period	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	30,008,404	30,008,404
Transfer to self insurance reserve	-	-	926,130	-	-	-	-	-	(926,130)	-
Charged to self insurance reserve	-	-	(1,130)	-	-	-	-	-	-	(1,130)
Transfer from undistributed percentage return reserve by an associated company	-	-	-	-	-	-	-	(22,446)	22,446	-
Transactions with owners, recorded directly in equity										
Final dividend 2016: Rs 2.00 per share	-	-	-	-	-	-	-	-	(8,601,857)	(8,601,857)
First interim dividend 2017: Rs 1.50 per share	-	-	-	-	-	-	-	-	(6,451,393)	(6,451,393)
Total distributions to owners	-	-	-	-	-	-	-	-	(15,053,250)	(15,053,250)
Balance as at 31 December 2016	43,009,284	836,000	8,395,000	-	2,118,000	-	20,000	62,927	439,145,380	493,586,591

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

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. 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. Previously, the shares of the Company were quoted on Karachi, Lahore and Islamabad stock exchanges of Pakistan. However, due to integration of these stock exchanges into Pakistan Stock Exchange effective 11 January 2016, the shares of the Company are now 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 the six months period ended 31 December 2016 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 Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 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 2016. Comparative balance sheet is extracted from the audited annual financial statements as of 30 June 2016, whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from unaudited condensed interim financial information for the six months period ended 31 December 2015.

This condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of Companies Ordinance, 1984 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 2016.

4 RESERVES

	Note	Unaudited 31 December 2016	Audited 30 June 2016
		(Rupees '000)	
Capital reserve	4.1	836,000	836,000
Self insurance reserve	4.2	8,395,000	7,470,000
Capital redemption reserve fund - associated company	4.3	2,118,000	2,118,000
Self insurance reserve - associated company	4.4	20,000	20,000
Other reserves:			
Undistributed percentage return reserve - associated company	4.5	62,927	85,373
		11,431,927	10,529,373

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. 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.

	Note	Unaudited 31 December 2016	Audited 30 June 2016
		----- (Rupees '000) -----	
5 TRADE AND OTHER PAYABLES			
Creditors		341,668	115,148
Accrued liabilities		11,023,263	14,359,034
Payable to partners of joint operations		7,332,107	4,573,507
Retention money payable		4,802,870	6,124,024
Royalty payable		3,946,048	2,499,371
Excise duty payable		-	235,912
General sales tax payable		-	526,179
Gas Infrastructure Development Cess (GIDC) Payable		2,966,123	2,137,525
Withholding tax payable		560,305	735,910
Trade deposits		117,298	119,298
Workers' profit participation fund - net		1,918,951	4,237,231
Employees' pension trust		9,336,205	9,272,728
Gratuity fund		89,145	69,009
Un-paid dividend	5.1	17,821,355	12,439,784
Un-claimed dividend		210,161	200,776
Advances from customers		1,213,577	1,133,572
Other payables		324,666	190,140
		62,003,742	58,969,148

5.1 This includes an amount of Rs 12,013 million (30 June 2016: Rs 10,500 million) payable to OGDCL Employees' Empowerment Trust. 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, the PCP vide Letter No. 13(4)12/BESOS/PC/OGDCL dated 21 July 2016 has informed the Company that all activities regarding BESOS have been withheld till decision is made by the Government of Pakistan.

6 CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

6.1.1 Claims against the Company not acknowledged as debts amounted to Rs 1,556.580 million at period end (30 June 2016: Rs 1,556.580 million).

6.1.2 Certain banks have issued guarantees on behalf of the Company in ordinary course of business aggregating Rs 18.569 million (30 June 2016: Rs 1.707 million).

6.1.3 For contingencies related to tax matters, refer note 13.1 to 13.4 and note 17.1.

6.1.4 For contingencies related to sales tax and federal excise duty, refer note 12.1 and 12.2.

6.2 Commitments

6.2.1 Commitments outstanding at period end amounted to Rs 39,257.555 million (30 June 2016: Rs 48,618.352 million). These include amounts aggregating to Rs 23,793.415 million (30 June 2016: Rs 24,779.797 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 14,782.152 million (30 June 2016: Rs 22,235.046 million).

6.2.3 The Company's share of associate commitments for capital expenditure based on the financial information of assocaite for the period ended 31 December 2016 was Rs 1,251.493 million (30 June 2016: Rs 1,260.753 million).

	Note	Unaudited 31 December 2016	Audited 30 June 2016
7 PROPERTY, PLANT AND EQUIPMENT		------ (Rupees '000) ------	
Carrying amount at beginning of the period/year		120,542,404	109,983,739
Additions/adjustments during the period/year	7.1	6,899,752	18,605,881
Book value of disposals		(10,473)	(30,654)
Depreciation charge for the period/year		(4,649,005)	(8,222,218)
Revision in estimate of decommissioning cost during the period/year		-	205,656
Carrying amount at end of the period/year	7.2	122,782,678	120,542,404

7.1 Additions/adjustments during the period/year

Freehold land	9,746	1,678
Buildings, offices and roads on freehold land	10,051	103,141
Buildings, offices and roads on leasehold land	298,254	261,848
Plant and machinery	20,837,110	11,569,147
Rigs	7,388	401,193
Pipelines	1,017,029	933,261
Office and domestic equipment	24,321	158,427
Office and technical data computers	49,818	211,740
Furniture and fixture	1,945	16,263
Vehicles	20,851	306,467
Decommissioning cost	65,055	269,947
Capital work in progress (net)	(15,239,763)	5,621,959
Stores held for capital expenditure (net)	(202,053)	(1,249,190)
	6,899,752	18,605,881

7.2 Property, plant and equipment comprises:

Operating fixed assets	85,986,219	68,304,129
Capital work in progress	34,423,365	49,663,128
Stores held for capital expenditure	2,373,094	2,575,147
	122,782,678	120,542,404

	Unaudited 31 December 2016	Audited 30 June 2016
	------ (Rupees '000) - - - - -	
8 DEVELOPMENT AND PRODUCTION ASSETS-INTANGIBLE		
Carrying amount at beginning of the period/year	87,990,960	78,260,687
Additions during the period/year	9,888,420	18,560,126
Transferred from exploration and evaluation assets during the period/year	1,680,432	10,222,033
Amortization charge for the period/year	(9,474,004)	(15,266,568)
Impairment charge for the period/year	-	(1,886,551)
Revision in estimates of decommissioning cost during period/year	-	(1,898,767)
Carrying amount at end of the period/year	90,085,808	87,990,960
9 EXPLORATION AND EVALUATION ASSETS		
Balance at beginning of the period/year	5,153,857	6,103,544
Additions during the period/year	4,907,036	14,182,070
	10,060,893	20,285,614
Cost of dry and abandoned wells during the period/year	(3,106,934)	(4,909,724)
Cost of wells transferred to development and production assets during the period/year	(1,680,432)	(10,222,033)
	(4,787,366)	(15,131,757)
	5,273,527	5,153,857
Stores held for exploration and evaluation activities	1,840,181	1,680,221
Balance at end of the period/year	7,113,708	6,834,078

	Note	Unaudited 31 December 2016	Audited 30 June 2016
10 LONG TERM INVESTMENTS		------ (Rupees '000) - - - - -	
Investment in related party-associate, quoted			
Mari Petroleum Company Limited (MPCL)		4,269,690	3,393,185
Investments held to maturity			
Term Deposit Receipts (TDRs)	10.1	6,807,338	6,384,972
Investment in Pakistan Investment Bonds (PIBs)	10.2	51,153,950	51,489,135
Investment in Term Finance Certificates (TFCs)	10.3	82,000,000	82,000,000
		139,961,288	139,874,107
Less: Current maturity of TFCs and PIBs		(92,153,950)	(30,750,000)
		52,077,028	112,517,292

10.1 These represent investments in local currency TDRs carrying effective interest rate of 6.50% (30 June 2016: 7.35%) per annum. These investments are earmarked against self insurance reserve.

10.2 This represents investment in Pakistan Investment Bonds (PIBs) carrying interest rate of 11.50% per annum. These PIBs were issued on 19 July 2012 for a period of five years maturing on 19 July 2017.

10.3 This represents investment in Privately Placed Term Finance Certificates (TFCs) issued by Power Holding (Private) Limited (PHPL). 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. 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 is repayable in eight (8) equal installments starting from 42nd month of date of transaction. Principal repayment amounting to Rs 20,500 million (30 June 2016: Rs 10,250) is past due as at 31 December 2016. Further, interest due as of 31 December 2016 is Rs 21,102 million (30 June 2016: Rs 18,139 million) of which Rs 19,313 million (30 June 2016: Rs 16,270 million) is 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.

	Unaudited 31 December 2016	Audited 30 June 2016
11 TRADE DEBTS	------ (Rupees '000) ------	
Un-secured, considered good	119,864,672	111,204,979
Un-secured, considered doubtful	111,989	111,989
	119,976,661	111,316,968
Provision for doubtful debts	(111,989)	(111,989)
Trade debts written off	-	(793)
	119,864,672	111,204,186

11.1 Trade debts include overdue amount of Rs 86,645 million (30 June 2016: Rs 78,704 million) on account of Inter-Corporate Circular debt, receivable from oil refineries and gas companies out of which Rs 67,166 million (30 June 2016: Rs 59,395 million) and Rs 14,657 million (30 June 2016: Rs 16,525 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 and the Company considers this amount to be fully recoverable.

11.2 Included in trade debts is an amount of Rs 3,437 million (30 June 2016: Rs 3,171 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. Retrospective imposition of GIDC has finally been confirmed by the Government of Pakistan through promulgation of GIDC Act 2015. Accordingly, where applicable, the Company has charged GIDC to its customers and has recognized its liability in this condensed interim financial information.

12 LOANS AND ADVANCES

12.1 This includes an amount of Rs 3,180 million (30 June 2016: 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 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 filed by UPL in favour of the Company. The management is actively persuing UPL for release of Rs 750 million. Management is confident that amount is fully recoverable 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 2016: Rs 317 million) made by the tax department against sales tax and Federal Excise Duty (FED) demand of Rs 6,708 million relating to periods July 2012 to June 2013, issued by the Deputy Commissioner Inland Revenue (DCIR). Appellate Tribunal Inland Revenue (ATIR) and Islamabad High Court (IHC) have granted stay against recovery of Rs 4,887 and 1,821 million respectively. Main appeals are pending before ATIR. In addition, DCIR also issued a show cause notice of Rs 5,271 million against sales tax and FED relating to the period July 2013 to June 2014. These demands and show cause notice have been 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. After considering the detailed submissions made by the Company and verification of reconciliation, DCIR issued order-in-original for Rs 403 million against show cause notice for Rs 5,271 million. The Company has filed an appeal before the CIRA for the impugned demand of Rs 403 million. Further, ATIR has granted stay against the recovery of demand amount till the decision of appeal by the CIRA. The Company believes that these demands have been raised without legal validity, accordingly no provision has been made in this condensed interim financial information.

13 INCOME TAX-ADVANCE	Note	Unaudited 31 December 2016	Audited 30 June 2016
		(Rupees '000)	
Income tax - advance at beginning of the period/year		41,599,042	24,059,740
Income tax paid during the period/year		12,826,494	35,025,909
Income tax recovered by tax authorities during the period/year		3,963	50,559
Provision for current taxation for the period/year - Profit and loss account		(10,781,941)	(21,853,820)
Tax credit related to remeasurement loss on employee retirement benefit plans for the period/year - Other Comprehensive Income		-	4,026,760
Provision for taxation - prior years		-	289,894
Income tax - advance at end of the period year	13.1 to 13.4	43,647,558	41,599,042

13.1 This includes amount of Rs 13,846 million (30 June 2016: Rs 13,846 million) paid to tax authorities on account of disallowance of actuarial loss amounting to Rs 27,556 million which the Company claimed in its return for the tax years 2014 and 2015. 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 Commissioner Inland Revenue Appeals (CIRA) through its order dated 3 November 2015 related to tax year 2014, accepted the Company's viewpoint, however, ordered to claim the expenditure over a period of seven years. 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 dated 29 January 2015, believes that 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 2016: Rs 5,368 million) from the Company upto 31 December 2016. 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 which is currently pending with ATIR. Further, ATIR has granted stay of thirty days against the recovery of demand amount with effect from 19 January 2017 or till the decision of 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 Petroleum and Natural Resources (MPNR) 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 2,746 million (30 June 2016: Rs 2,746 million) paid to tax authorities during the year ended 30 June 2016 on account of super tax relating to tax year 2015. The Company is currently contesting applicability of super tax at the rate of 3 percent of taxable profits from oil and gas operations under Petroleum Concession Agreements (PCAs) and has filed an appeal before CIRA in this respect. Management based on opinion of its tax consultant is confident that the Company has probable chances to defend its case before appellate authorities due to clauses relating to charge of tax under PCAs. Accordingly, no provision has been made in this respect in the financial statements for the years ended 30 June 2015 and 30 June 2016.

13.4 Income tax advance includes Rs 5,805 million (30 June 2016: Rs 5,805 million) paid to tax authorities during the year ended 30 June 2016 mainly on account of disallowances made by the Additional Commissioner Inland Revenue (ACIR) against workers' profit participation fund expense, decommissioning cost and employee benefits claimed by the Company in its return of income for the year ended 30 June 2015. The Company has filed an appeal with CIRA against the disallowances made by ACIR. Management believes that disallowances are against income tax laws and regulations and accordingly no provision has been made in this respect in this condensed interim financial information.

	Note	Unaudited 31 December 2016	Audited 30 June 2016
14 OTHER FINANCIAL ASSETS		(Rupees '000)	
Investment in Term Deposits	14.1	12,108,907	11,131,164
Investment at fair value through profit or loss - NIT units		397,458	295,800
		12,506,565	11,426,964

14.1 This includes foreign currency TDRs amounting to USD 115.598 million (30 June 2016: USD 106.305 million), carrying interest rate ranging from 2.20% to 2.30% (30 June 2016: 1.60% to 2.65%) per annum, having maturities between one month to six months (30 June 2016: maturities between one month to three months).

	Three months ended 31 December		Six months ended 31 December	
	2016	2015	2016	2015
15 SALES - net	(Rupees '000)			
Gross sales				
Crude oil	18,492,048	15,402,645	33,486,474	32,106,912
Gas	27,520,780	31,506,637	57,582,624	65,198,714
Liquefied petroleum gas	1,837,734	1,834,561	3,044,966	3,160,317
Sulphur	115,285	-	234,836	299,907
Gas processing	24,582	14,326	52,203	29,262
	47,990,429	48,758,169	94,401,103	100,795,112
Government levies				
General sales tax	(4,325,016)	(4,846,721)	(8,889,814)	(9,983,668)
Gas Infrastructure Development Cess (GIDC)	(1,368,241)	(1,414,437)	(2,874,437)	(2,992,148)
Excise duty	(781,625)	(823,944)	(1,555,723)	(1,633,009)
	(6,474,882)	(7,085,102)	(13,319,974)	(14,608,825)
	41,515,547	41,673,067	81,081,129	86,186,287

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

15.2 On 20 February 2012, OGDCL entered into an agreement with M/s Jamshoro Joint Venture Limited (JJVL) to process gas from Kunnar Pasahki Deep (KPD) to produce Natural Gas Liquids (NGL), Liquefied Petroleum Gas (LPG) and Condensate in consideration of gas processing charges. However, Sui Southern Gas Company Limited (SSGCL) claimed that as per applicable petroleum policy the delivery point should be KPD field gate instead of JJVL plant. The matter was discussed between the parties and SSGCL viewpoint was accepted and a term sheet was signed between OGDCL and SSGCL in 2013. Resultantly, the delivery point was changed to KPD field gate and OGDCL renounced its right on LPG, etc., production. Consequently, the Company issued a provisional credit note of Rs 2,285 million in prior years related to revenue from sale of LPG, NGL and Condensate from the JJVL plant net of processing and other ancillary charges. OGDCL also recorded a provisional debit note amounting to Rs 164.445 million relating to additional gas sales revenue to SSGCL on account of the change in delivery point from JJVL plant to KPD field gate. These credit and debit notes recorded in the books of accounts in prior years are provisional and the final prices will be agreed between SSGCL and OGDCL upon execution of Gas Sales Agreement (GSA) and adjustments, if any, will be incorporated in the books on finalization of GSA.

15.3 The Company has signed the supplemental Agreements with GoP for conversion of Petroleum Concession Agreements (PCA) to the Petroleum Exploration and Production Policy, 2012 in respect of various blocks. Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from 27 November 2007 and for future exploratory efforts under respective blocks.

In terms of supplemental agreements, draft statements in respect of Sheikhan, Gopang, Pakhro and TAL block - Mamikhel, Maramzai & Makori East discoveries - have been submitted to the GoP during the year ended 30 June 2016. During the period, prices of Company's operated fields Sheikhan, Gopang and Pakhro, converted under Petroleum Policy 2012, have been notified by OGRA. The impact of these conversions on the revenue for period ended 31 December 2016 amounts to Rs 64.294 million (30 June 2016: Rs Nil) related to period prior to 1 July 2016 which has been incorporated in this condensed interim financial information. GoP shall facilitate for issuance of necessary gas price notifications for TAL Block (Mamikhel, Maramzai & Makori East). Effect of adjustment arising from revision in sale price will be recognized upon issuance of gas price notifications by OGRA.

		Three months ended 31 December		Six months ended 31 December	
		2016	2015	2016	2015
16 OTHER INCOME	Note	(Rupees '000)			
Interest income		3,072,974	3,317,666	6,468,900	6,817,785
Dividend income from NIT units		-	-	20,431	19,296
Un-realized gain/(loss) on investments at fair value through profit or loss		63,791	15,664	101,657	(2,316)
Exchange gain/(loss) - net		(61,458)	267,509	88,618	483,070
Signature bonus	16.1	832,546	574,006	2,176,612	788,206
Others		339,705	129,847	452,531	189,014
		4,247,558	4,304,692	9,308,749	8,295,055

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

	Three months ended 31 December		Six months ended 31 December	
	2016	2015	2016	2015
	(Rupees '000)			
17 TAXATION				
Current - charge for the period	4,188,946	6,001,354	10,781,941	13,979,649
Deferred - credit for the period	102,369	(99,347)	(287,662)	(109,185)
	4,291,315	5,902,007	10,494,279	13,870,464

17.1 Various appeals in respect of assessment years 1992-93 to 2002-03, tax years 2003 to 2015 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 and tax rate. Total amount of tax demand against the major issues, raised in respect of assessment years 1992-93 to 2002-03 and tax years 2003-2015 amounts to Rs 66,643 million out of which an amount of Rs 63,302 million has been paid to tax authorities. Also refer to note 13.1 to 13.4 of this condensed interim financial information.

	Three months ended 31 December		Six months ended 31 December	
	2016	2015	2016	2015
18 EARNINGS PER SHARE-BASIC AND DILUTED				
Profit for the period (Rupees '000)	15,376,850	15,945,775	30,008,404	34,205,587
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)	3.58	3.71	6.98	7.95

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

	Unaudited 31 December 2016	Unaudited 31 December 2015
19 CASH AND CASH EQUIVALENTS	(Rupees '000)	
Cash and bank balances	3,450,328	3,985,649
Short term highly liquid investments	12,108,907	9,481,685
	15,559,235	13,467,334

20 RELATED PARTIES TRANSACTIONS

Government of Pakistan owns 74.97% (31 December 2015: 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:

	Six months ended 31 December	
	2016	2015
	(Rupees '000)	
Associated company		
Share of profit in associate-net of taxation	922,424	614,517
Dividend received	45,919	114,163
Major shareholders		
Government of Pakistan		
Dividend paid	7,255,200	13,784,880
Payable on account of Kunnar discount as at 31 December	-	2,085,112
Dividend payable at 31 December	4,353,120	-
OGDCL Employees' Empowerment Trust (OEET)		
Dividend payable	12,013,089	9,765,706
Related parties by virtue of common directorship and GoP holdings		
Government Holdings (Private) Limited (GHPL)		
GHPL share (various fields) - net receivable	1,028,700	704,577

Related Parties Transactions - Continued	Six months ended 31 December 2016	2015
	(Rupees '000)	
Power Holding (Private) Limited (PHPL)		
Markup earned	2,963,705	3,520,631
Balance of investment in TFCs receivable not yet due as at 31 December	61,500,000	82,000,000
Balance of past due principal repayment on TFCs as at 31 December	20,500,000	-
Balance of markup receivable on TFCs not yet due as at 31 December	1,789,734	2,043,597
Balance of past due markup receivable on TFCs as at 31 December	19,312,730	12,978,870
State Bank of Pakistan		
Interest earned on Pakistan Investment Bonds (PIBs)	2,951,868	2,943,426
Balance of investment in PIBs and markup receivable as at 31 December	53,846,314	53,428,182
National Bank of Pakistan		
Balance of accounts as at 31 December	1,138,029	567,533
Balance of Investment (TDR) as at 31 December	6,807,338	6,384,972
Interest earned during the period	255,576	299,013
Pak Arab Refinery Company Limited		
Sale of crude oil	4,384,854	2,725,947
Trade debts as at 31 December	1,742,744	853,840
Sui Northern Gas Pipelines Limited		
Sale of natural gas	24,486,897	26,631,374
Trade debts as at 31 December	23,351,529	24,305,980
Payable as at 31 December	73,880	473,503
Sui Southern Gas Company Limited		
Sale of natural gas	15,219,186	21,071,056
Pipeline rental charges	18,330	18,330
Trade debts as at 31 December	71,715,692	67,767,910
Pakistan State Oil Company Limited		
Sale of liquefied petroleum gas	98,067	-
Purchase of petroleum, oil and lubricants	1,673,911	2,361,477
Trade debts as at 31 December	1,867	1,867
Payable as at 31 December	2,500	3,000
National Insurance Company Limited		
Insurance premium paid	193,867	235,604
Payable as at 31 December	-	71,726
National Logistic Cell		
Crude transportation charges paid	508,288	654,202
Payable as at 31 December	482,280	461,001
Enar Petrotech Services Limited		
Consultancy services paid	34,479	93,564
Sale of crude oil	3,922,135	4,228,961
Trade debts as at 31 December	910,083	1,133,461
Payable as at 31 December	72	1,712
Other related parties		
Contribution to staff benefit funds	1,591,323	849,292
Remuneration including benefits and perquisites of key management personnel	268,378	223,596

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

21 RISK MANAGEMENT

Financial risk managemnet objectives and policies are consistent with that disclosed in the annual audited financial statements for the year ended 30 June 2016.

22 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

22.1 The Board of Directors approved interim cash dividend at the rate of Rs 1.00 per share amounting to Rs 4,301 million in its meeting held on 17 February 2017.

23 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 17 February 2017 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 Executive **Director**

مبادلہ 104.19 روپے فی امریکی ڈالر سے 104.91 روپے فی امریکی ڈالر پر چلی گئی اس دوران حاصل ہونے والی آمدنی 81.081 ارب روپے ہوئی۔(1H 2015-16:Rs 86.186 billion)

زیر جائزہ مدت کے دوران بیرونی ذرائع سے زائد 2D سیسمک ڈیٹا کے حصول کے پیش نظر ہونے والے اخراجات کے علاوہ خشک اور متروک (dry and abandoned) کیے جانے والے کنوؤں کے اخراجات میں اضافے کے سبب پچھلے دورانیے کے مقابلے میں او۔جی۔ڈی۔سی۔ایل کا منافع کم رہا۔ مزید براں زائد ورک اوور اخراجات، ترقیاتی و پیداواری اثاثہ جات کی amortization اور پراپرٹی پلانٹ اور آلات کی فرسودگی (depreciation) کے نتیجے میں عملی خرچے بڑھ گئے جن کی جزوی تلافی دوسرے ذرائع (other income) سے ہونے والی اضافی آمدن سے ہوئی۔اس کے نتیجے میں کمپنی اس قابل ہوئی کہ 31 دسمبر 2016 کو مکمل ہونے والی ششماہی پر اسے بعد از ٹیکس 30.008 ارب روپے کا خالص منافع ہوا جو کہ 6.98 روپے فی شیئر آمدن پر منتج ہوا۔

(1H 2015-16: Rs 7.95 per share)

منافع منقسمہ (Dividend)

بورڈ نے 30 جون، 2017 کو ختم ہونے والے مالی سال کے لیے دوسرا عبوری نقد منافع منقسمہ 1.00 روپے فی شیئر (10 فیصد) کا اعلان کیا ہے۔ یہ رواں مالی سال کے پہلے عبوری نقد منافع منقسمہ 1.50 روپے فی شیئر (15 فیصد) کے علاوہ ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹر جملہ شراکت داروں سے اظہار تشکر کرتا ہے جن کی مسلسل حمایت اور سرپرستی کی وجہ سے کمپنی کو نئے کاروباری چیلنجز کا سامنا کرنے اور موثر طریقے پر نئے منزلیں عبور کرنے کا حوصلہ ملا۔ بورڈ کمپنی ملازمین کے لیے بھی اپنے تشکر کا اظہار کرتا ہے جن کی ہر سطح پر بھرپور کاوشوں کی بدولت کمپنی کی عملی و مالیاتی کارکردگی کو محفوظ اور ذمہ دارانہ طریقے پر فروغ دینا ممکن ہوا۔

بورڈ کی جانب سے

(زاہد مظفر)

چیئرمین

17 فروری 2017

اور اُچ فیلڈز پر موجود پلانٹس کی سالانہ مرمت انجام دی۔ اس کے علاوہ جاکھرو-1پر (کیتھوڈک) حفاظتی نظام کی تنصیب اور عمل کاری(commissioning) اور چک 2-2، لالہ جمالی اور اُچ-13، 15 & 17 کے کنوؤں پر کیمیائی انجیکشن پیکج کی تکمیل بھی کی گئی۔

پختہ (mature) ہائیڈروکاربن پیداواری فیلڈز میں قدرتی طور پر کمی ہونے کے باوجود او۔جی۔ڈی۔سی۔ایل کی خام تیل کی اوسط قطعی (net) پیداوار میں گزشتہ عرصے کے مقابلے میں 7 فیصد کا اضافہ دیکھنے میں آیا جس کی بنیادی وجہ کنز، راجیان، تشپہ اور سنجھورو فیلڈز میں اضافی پیداوار اور مشترکہ منصوبوں کے غیر انتظام شدہ فیلڈز کے پیداواری حصے میں اضافہ تھی۔ کمپنی کی اوسط قابل فروخت گیس کی پیداوار میں 3.6 فیصد کمی دیکھنے میں آئی جس کی بنیادی وجہ کچھ کنوؤں بالخصوص قادر پور فیلڈ اور غیر انتظام شدہ مشترک فیلڈز بشمول بھٹ، بادھرا اور کندن واری میں گیس کی پیداوار میں قدرتی کمی اور بڑے پیمانے (high) پر واٹر کٹ تھی۔ علاوہ ازیں، 5 ستمبر 2016 کو جاکھرو پر نائٹروجن کے ارتکاز کی وجہ سے چوک (choke) میں تنگی کرنے، ریت آنے پر باہو-1 کی بندش اور 6 تا 13 اکتوبر اینگرو کے پلانٹ کی سالانہ مرمت و دیکھ بھال کے لیے مارو-ریتی سے گیس کی بندش، گیس کی پیداوار میں کمی کا باعث بنیں۔ جہاں تک LPG کا تعلق ہے، دسمبر 2016 میں KPD فیلڈ سے پیداوار کے آغاز کے ساتھ ساتھ سنجھورو اور غیر انتظام شدہ مشترکہ فیلڈز سے پیداوار میں اضافے کے باعث 21 فیصد اضافہ دیکھنے میں آیا۔

زیر جائزہ مدت کے دوران اوسط یومیہ قطعی قابل فروخت ہائیڈروکاربن پیداوار جو کہ خام تیل، گیس اور LPG سے متعلق ہے بشمول کمپنی کے زیر انتظام اور مشترکہ منصوبوں کی غیر انتظام کردہ فیلڈز میں حصے کی تفصیل درج ذیل ہے:

مصنوعات	پیمائش اکائیاں	پہلی ششماہی 2016-17	پہلی ششماہی 2015-16
خام تیل	بیرلز یومیہ	42,880	40,028
گیس	MMcf یومیہ	1,048	1,087
ایل۔پی۔جی	ٹن یومیہ	378	312

آگے بڑھتے ہوئے، تلاش کی بھرپور کوششوں، جاری ترقیاتی منصوبوں کی تیز ترین تکمیل اور مالیاتی نظم و ضبط کی پابندی کرتے ہوئے او۔جی۔ڈی۔سی۔ایل پر عزم ہے کہ نئی ترقیاتی سرگرمیاں شروع کرنے کے ساتھ کاروباری عملی کارکردگی کو برقرار رکھتے ہوئے اور اس میں بہتری لاتے ہوئے آنے والے برسوں میں کمپنی حصص یافتگان کے اثاثہ جات میں بہتری کے اسباب پیدا کرنے میں کوشاں رہے گی۔

مالیاتی نتائج

جولائی تا دسمبر 2016 کے دوران خام تیل کی قیمتوں میں معمولی بہتری کے باوجود 6 ماہ کی اوسط بین الاقوامی قیمت پچھلے عرصے کے مقابلے میں کم رہی جس کے نتیجے میں او۔جی۔ڈی۔سی۔ایل کی مالیاتی کارکردگی متاثر ہوئی۔ اس بات کا ثبوت حالیہ عرصے میں خام تیل کی اوسط قیمت 46.19 امریکی ڈالر فی بیرل رہی جو کہ تقابلی مدت میں 47.73 امریکی ڈالر فی بیرل تھی۔ بین الاقوامی قیمتوں میں کمی کی وجہ سے کمپنی کو خام تیل اور گیس کی کم قیمت ملی جو کہ بالترتیب 41.45 امریکی ڈالر فی بیرل اور 233.40 روپے فی Mcf رہی جبکہ گزشتہ عرصے میں یہی قیمتیں 43.09 امریکی ڈالر فی بیرل اور 255.47 روپے فی Mcf تھیں۔ علاوہ ازیں، کمپنی کی سیل کو جو کہ قابل فروخت گیس پیداوار میں کمی سے متاثر ہوئی تھی، خام تیل اور LPG کی قابل فروخت اضافی پیداوار اور شرح مبادلہ میں معمولی اضافے سے جزوی سہارا ملا۔ اس دوران شرح

گیس پروسیسنگ یونٹس کی کمیشننگ اور سوئی سدرن گیس کمپنی کو فیز I سے یکم ستمبر 2016 سے تخصیصی (on-spec) گیس کی فراہمی شروع ہوگئی ہے جبکہ LPG کی پیداوار بھی 14 دسمبر 2016 سے شروع ہوچکی ہے۔ KPD-TAY فیلڈ کی حالیہ یومیہ پیداوار تقریباً 2,450 بیرلز خام تیل، 160MMcf گیس اور 160 ٹن LPG ہے۔ مزید ٹربو ایکسپینڈرز، سیل گیس کمپریسرز اور ڈی ہائیڈریشن یونٹس کی مکمل کمیشننگ، تمام آلات کی کارکردگی کی آزمائش اور منصوبے کی مکمل حوالگی کے بعد پیداوار میں مزید اضافہ ہوجائے گا۔ نشپہ میلہ ترقیاتی منصوبے کے تحت EPCC ٹھیکیدار متحرک ہے اور ڈیزائن کا مرحلہ مکمل ہوچکا ہے۔ منصوبے کی تکمیل جون 2017 تک متوقع ہے جس کے بعد یومیہ اضافی پیداوار 1,100 بیرلز خام تیل، 10MMcf گیس اور 340 ٹن LPG تک پہنچ سکتی ہے۔ جہاں تک سوگری ترقیاتی منصوبے کا تعلق ہے، منصوبے کے احاطۂ کار میں سوگری گیس کی عمل گزاری کے لیے دکھنی سائٹ پر گیس کو خوشگوار/قابل استعمال بنانے کے یونٹ (gas sweetening) اور متعلقہ سہولیات (utilities) کی تنصیب شامل ہیں۔ اب تک امائن یونٹ فیلڈ میں پہنچا دیا گیا ہے اور ضروری آلات/سامان حاصل کرلیا گیا ہے جبکہ PC ٹھیکیدار کی تقرری زیرِ عمل ہے۔

تیل اور گیس کی دریافتیں

نئے ہائیڈروکاربن ذخائر کی تلاش کی انتھک کوششوں کی بنیاد پر او۔جی۔ڈی۔سی۔ایل نے 31 دسمبر 2016 کو ختم ہونے والی ششماہی کے دوران تین نئی دریافتوں کا اعلان کیا ہے جن کی اجتماعی یومیہ پیداوار کی اہلیت 29MMcf گیس اور 15 بیرلز تیل ہے۔ صوبہ سندھ میں ہونے والی ان دریافتوں میں تحصیل خیرپور میں گدن واری-1، مٹھڑی-1 اور تحصیل گھوٹکی میں خمیسو-1 شامل ہیں۔

تیل اور گیس کی پیداوار

او۔جی۔ڈی۔سی۔ایل اپنے زیرانتظام کل ملکیتی اور مشترکہ فیلڈز سے تیل و گیس کی پیداوار بڑھانے کے لیے ایک متوازن حکمتِ عملی پر عمل پیرا ہے جو ہائیڈروکاربن کی تلاش کی تیز تر کوششوں، جاری منصوبوں کو مکمل کرنے اور تلاش کے لیے جدید ترین تکنیک کے استعمال پر مشتمل ہے۔ مذکورہ حکمتِ عملی بارآور ثابت ہوئی اور 28 نومبر 2016 کو کمپنی نے 50,345 بیرلز یومیہ خام تیل کی ریکارڈ پیداوار کی۔ جس کے نتیجے میں کمپنی کی خام تیل کی پیداوار مارکیٹ شیئر کا 52 فیصد رہی جبکہ اسی دورانیے میں کمپنی کی قدرتی گیس کی پیداوار کل ملکی پیداوار کے حجم کا 28 فیصد رہی۔

زیرِ جائزہ مدت کے دوران او۔جی۔ڈی۔سی۔ایل نے موجودہ پیداواری نظام میں پانچ نئے کنویں قادر پور HRL-11، کنر-11، راجیان-9 اور نشپہ-6 اور 7 شامل کیئے۔ ان چھے مہینوں میں کنوؤں کی مجموعی پیداوار 659,493 بیرلز خام تیل اور 3,086 MMcf گیس ہے جبکہ قادر پور-56 اور خمیسو-1 کی پیداواری صلاحیت کی جانچ کا کام بھی مکمل کیا جاچکا ہے۔

پختہ (mature) کنوؤں کے احیاء اور پیداوار میں اضافے کے لیے او۔جی۔ڈی۔سی۔ایل نے زیرِ جائزہ مدت کے دوران پالی ڈیپ-1، راجیان-2، کنر-8، پساکی-5، پساکی ڈیپ-6 اور سونو-8 پر ورک اوور (workover) انجام دیے۔ اسی طرح تیل و گیس کی پیداوار بڑھانے کے لیے رگ لیس ورک اوور بھی انجام دیے۔ علاوہ ازیں کنوؤں سے تیل اور گیس کے موجودہ بہاؤ کے پیرامیٹرز میں بہتری لانے کے لیے نشپہ، پساکی، سنجھورو اور جاکھرو فیلڈز کے مختلف کنوؤں پر دباؤ بننے (pressure build up) کے سروے کا کام بھی مکمل کیا گیا۔ اپنے احتیاطی دیکھ بھال منصوبے کے ایک حصے کے طور پر زیرِ جائزہ مدت کے دوران او۔جی۔ڈی۔سی۔ایل نے سنجھورو، چندا، نشپہ، بوبی، دکھنی

ڈائریکٹرز کی جانب سے عبوری جائزہ

بورڈ آف ڈائریکٹرز، آئل اینڈ گیس ڈویلپمنٹ کمپنی لمیٹڈ 31 دسمبر 2016 کو اختتام پر پہنچنے والی ششماہی میں کمپنی کی آپریشنل اور مالیاتی کارکردگی اور غیر جانچ شدہ عبوری مالیاتی معلومات کا مختصر جائزہ پیش کرتے ہوئے مسرت کا اظہار کرتے ہیں۔

تیل اور گیس کی تلاش اور ترقیاتی سرگرمیاں

تیل اور گیس کی تلاش اور پیداوار کی سرفہرست پاکستانی کمپنی ہونے کے ناطے 31 دسمبر 2016 تک او۔جی۔ڈی۔سی۔ایل کے پاس 115,604 مربع کلومیٹر کا رقبہ زیر تلاش ہے جو کہ ملک میں زیر تلاش کل رقبہ کا 33 فیصد بنتا ہے (ماخذ: PPIS) کمپنی کے تشخیصی (exploratory) اثاثہ جات ملک کے چاروں صوبوں میں پھیلے ہوئے ہیں جن میں سے تلاش کے 60 کل ملکیتی اور مشترک بلاکس کے اجازت نامے (License) کمپنی کے زیر انتظام ہیں۔ ان کے علاوہ دیگر تلاش و پیداواری کمپنیوں کے زیر انتظام رقبے میں سے 5 بلاکس میں عملی مفادات (working interest) شامل ہیں۔

آگے بڑھنے کے نئے مواقع سے فائدہ اٹھانے اور پیداواری بنیاد میں اضافے کے حصول کی غرض سے جولائی تا دسمبر 2016 کے عبوری جائزے کے دورانیے میں او۔جی۔ڈی۔سی۔ایل نے سیسمک ڈیٹا (seismic data) کے تیز ترین حصول کو جاری رکھا۔ اس بات کا ثبوت اس حقیقت سے عیاں ہے کہ 2,039 لائن کلومیٹر (1H2015-16: 2,816 Line Km) اور 1,019 مربع کلومیٹر (1H2015-16: 1,545 sq. km) کا جو بالترتیب 2D اور 3D سیسمک ڈیٹا کمپنی نے حاصل کیا جو رپورٹ کردہ دورانیے میں ملک میں کل جمع کردہ سیسمک ڈیٹا کا بالترتیب 65 فیصد اور 47 فیصد ہے (ماخذ: PPIS)۔ یہ سیسمک ڈیٹا مختلف بلاکس بشمول ماڑی ایسٹ، کلاچی، پیزو، رانی پور، خان پور، دکھنی، نور بگلہ، شان، زور گڑھ، لتامبر، رسملان، رسملان ویسٹ، سمندر، کوہاٹ، برانائی، پارکنی۔اے اور لپسنی ویسٹ میں تلاش کے دوران حاصل کیا گیا۔ علاوہ ازیں ژوب میں تلاش کے اجازت نامے (License) کے تحت کمپنی نے 147 لائن کلومیٹر کا جغرافیائی فیلڈ ورک بھی کیا۔ مزید برآں 3,027 لائن کلومیٹرز کا 2D اور 3,595 مربع کلومیٹرز کا 3D سیسمک ڈیٹا مختلف بلاکس میں اپنے ذرائع سے انجام/از سر نو انجام دیا۔

زیر جائزہ دورانیے میں او۔جی۔ڈی۔سی۔ایل نے ہائیڈروکاربن ذخائر کو برقرار رکھنے اور ان میں اضافہ کرنے اور کاروبار کو مزید منافع بخش بنانے کے لیے بھرپور انداز سے ڈرلنگ (Drilling) جاری رکھی۔ اس سلسلے میں کمپنی نے تین کنوؤں کی کھدائی کی جن میں تشخیصی (exploratory) کنویں: گدن واری-1، رانی پور-1 اور تھل ایسٹ-3 جبکہ ترقیاتی کنویں: میلہ-5، چندا-4، قادر پور-56 اور راجیان-10 شامل ہیں۔ اس کے علاوہ پچھلے مالی سال سے جاری 15 کنوؤں کی ڈرلنگ جاری رکھی جن میں مدتِ جائزہ کے دوران 9 کنوؤں کی ڈرلنگ اور آزمائش (testing) مکمل کرلی گئی ہے۔ کمپنی نے اس مدت میں کل 37,784 میٹرز ڈرلنگ کی (1H2015-16: 45,645 meters)۔

تیل اور گیس کے ترقیاتی منصوبے

او۔جی۔ڈی۔سی۔ایل نے تیل اور گیس میں پیداوار میں اضافے کی خاطر زیر جائزہ مدت میں اپنے جاری منصوبوں بشمول کنر پسا کی ڈیپ ٹنڈوالہ یار (KPD-TAY)، اُچ II، نشپہ میلہ اور سوگری کو مکمل کرنے کی کوششیں جاری رکھیں۔ اس سلسلے میں KPD-TAY فیز II، پر

Oil & Gas Development Company Limited
OGDCL House, Plot No. 3, F-6/G-6, Blue Area,
Jinnah Avenue, Islamabad - Pakistan.
www.ogdcl.com

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