

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM BALANCE SHEET [UNAUDITED]
AS AT 31 DECEMBER 2014

	Unaudited 31 December 2014	Audited 30 June 2014
Share CAPITAL AND RESERVES		
Share capital	43,009,284	43,009,284
Capital reserves	7,031,000	6,606,000
Unappropriated profit	<u>369,282,469</u>	<u>346,055,921</u>
	<u>419,322,753</u>	<u>395,671,205</u>
NON CURRENT LIABILITIES		
Deferred taxation	<u>17,221,519</u>	<u>22,270,517</u>
Deferred employee benefits	<u>10,821,493</u>	<u>9,827,561</u>
Provision for decommissioning cost	<u>21,958,655</u>	<u>20,417,830</u>
	50,001,667	52,515,908
CURRENT LIABILITIES		
Trade and other payables	4 52,197,364	48,045,567
	<u>521,521,784</u>	<u>496,232,680</u>

CONTINGENCIES AND COMMITMENTS 5

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Chief Executive

	Unaudited 31 December 2014	Audited 30 June 2014
NON CURRENT ASSETS		
Fixed assets		
Property, plant and equipment	6 89,975,134	71,803,994
Development and production assets - intangible	7 78,662,545	74,329,473
Exploration and evaluation assets	8 7,736,173	9,637,788
	176,373,852	155,771,255
Long term investments	9 140,698,609	140,393,508
Long term loans and receivable	5,541,703	5,170,798
Long term prepayments	<u>595,809</u>	<u>736,992</u>
	<u>323,209,973</u>	<u>302,072,553</u>
CURRENT ASSETS		
Stores, spare parts and loose tools	<u>19,192,523</u>	<u>18,502,922</u>
Stock in trade	308,356	420,626
Trade debts	10 109,208,458	100,510,995
Loans and advances	11 7,990,436	7,909,281
Deposits and short term prepayments	1,580,956	1,336,238
Interest accrued	10,335,128	10,110,450
Other receivables	134,955	661,017
Income tax - advance	12 11,608,155	14,319,141
Other financial assets	13 32,791,979	37,537,297
Cash and bank balances	<u>5,160,865</u>	<u>2,852,160</u>
	198,311,811	194,160,127
	<u>521,521,784</u>	<u>496,232,680</u>

Director

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	Note	Three months ended 31 December		Six months ended 31 December	
		2014	2013	2014	2013
------(Rupees '000)-----					
Sales - net	14	54,247,664	63,753,775	118,643,636	126,170,200
Royalty		(6,105,213)	(7,384,273)	(13,520,997)	(14,508,972)
Operating expenses		(12,919,639)	(10,005,499)	(26,132,872)	(20,313,415)
Transportation charges		(419,260)	(582,810)	(1,034,203)	(1,198,434)
		<u>(19,444,112)</u>	<u>(17,972,582)</u>	<u>(40,688,072)</u>	<u>(36,020,821)</u>
Gross profit		34,803,552	45,781,193	77,955,564	90,149,379
Other income	15	3,941,181	4,694,540	10,221,540	12,119,582
Exploration and prospecting expenditure		(2,521,237)	(2,869,983)	(6,272,836)	(4,824,555)
General and administration expenses		(742,966)	(390,409)	(2,074,747)	(1,143,777)
Finance cost		(630,883)	(461,167)	(1,242,395)	(1,092,894)
Workers' profit participation fund		(1,743,678)	(2,339,421)	(3,932,092)	(4,763,187)
Share of profit in associate - net of taxation		<u>23,900</u>	<u>34,250</u>	<u>54,709</u>	<u>56,008</u>
Profit before taxation		33,129,869	44,449,003	74,709,743	90,500,556
Taxation	16	<u>(13,611,571)</u>	<u>(10,810,568)</u>	<u>(26,881,371)</u>	<u>(23,273,626)</u>
Profit for the period		<u>19,518,298</u>	<u>33,638,435</u>	<u>47,828,372</u>	<u>67,226,930</u>
Earnings per share - basic and diluted (Rupees)	17	<u>4.54</u>	<u>7.82</u>	<u>11.12</u>	<u>15.63</u>

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Chief Executive

Director

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	Three months ended 31 December 2014	2013	Six months ended 31 December 2014	2013
	----- (Rupees '000) -----			
Profit for the period	19,518,298	33,638,435	47,828,372	67,226,930
Other comprehensive income/(loss) for the period				
Items that will not be reclassified to profit or loss				
Remeasurement loss on employee retirement benefit plans	-	(2,074,464)	(1,059,171)	(2,074,464)
Tax credit related to remeasurement loss on employee retirement benefit plans				
Current tax credit	-	12,439,444	537,454	12,439,444
Deferred tax charge	-	(11,401,797)	-	(11,401,797)
	-	1,037,647	537,454	1,037,647
	-	(1,036,817)	(521,717)	(1,036,817)
Total comprehensive income for the period	<u>19,518,298</u>	<u>32,601,618</u>	<u>47,306,655</u>	<u>66,190,113</u>

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Chief Executive

Director

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	Six months ended 31 December	
	2014	2013
Note	------(Rupees '000)-----	
Cash flows from operating activities		
Profit before taxation	74,709,743	90,500,556
Adjustments for:		
Depreciation	2,646,225	1,974,051
Amortization of development and production assets	8,874,936	6,357,511
Impairment on assets	433,276	720,860
Reversal of impairment on assets	-	(583,758)
Royalty	13,520,997	14,508,972
Workers' profit participation fund	3,932,092	4,763,187
Provision for employee benefits	2,105,014	2,068,034
Un-winding of discount on provision for decommissioning cost	1,234,735	1,085,469
Interest income	(9,121,213)	(9,026,619)
Un-realized gain on investments at fair value through profit or loss	(24,245)	(33,280)
Dividend income	(18,615)	(17,026)
Loss/(gain) on disposal of property, plant and equipment	3,465	(779)
Share of profit in associate	(54,709)	(56,008)
Stores inventory written off	1,671	12,140
	<u>98,243,372</u>	<u>112,273,310</u>
Working capital changes		
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	(691,272)	(1,969,574)
Stock in trade	112,270	(29,885)
Trade debts	(8,697,463)	(10,065,538)
Deposits and short term prepayments	(244,718)	75,675
Advances and other receivables	(272,773)	(2,131,906)
Increase/ (decrease) in current liabilities:		
Trade and other payables	6,520,096	(2,737,693)
Cash generated from operations	<u>94,969,512</u>	<u>95,414,389</u>
Royalty paid	(13,319,666)	(13,951,802)
Employee benefits paid	(12,542,425)	(5,198,585)
Long term prepayments	141,183	(239,394)
Received from workers' profit participation fund	346,775	525,459
Income taxes paid	(28,681,929)	(20,172,466)
	<u>(54,056,062)</u>	<u>(39,036,788)</u>
Net cash from operating activities	40,913,450	56,377,601
Cash flows from investing activities		
Capital expenditure	(31,506,840)	(22,826,725)
Interest received	9,144,897	9,326,161
Dividends received	36,990	35,401
Purchase of investments	(517,129)	(425,000)
Proceeds from disposal of property, plant and equipment	14,421	9,135
Net cash used in investing activities	(22,827,661)	(13,881,028)
Cash flows from financing activities		
Dividends paid	(20,546,647)	(12,015,985)
Net cash used in financing activities	(20,546,647)	(12,015,985)
Net (decrease)/increase in cash and cash equivalents	<u>(2,460,858)</u>	<u>30,480,588</u>
Cash and cash equivalents at beginning of the period	<u>40,113,906</u>	<u>42,414,472</u>
Cash and cash equivalents at end of the period	<u>37,653,048</u>	<u>72,895,060</u>

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The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Chief Executive

Director

OIL AND GAS DEVELOPMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	Share capital	Capital reserves		Unappropriated profit	Total equity
		Capital reserve	Self insurance		
------(Rupees '000)-----					
Balance at 01 July 2013	43,009,284	836,000	4,920,000	263,500,737	312,266,021
Transfer to self insurance reserve	-	-	426,517	(426,517)	-
Charged to self insurance reserve	-	-	(1,517)	1,517	-
Total comprehensive income for the period					
Profit for the period	-	-	-	67,226,930	67,226,930
Other comprehensive loss for the period	-	-	-	(1,036,817)	(1,036,817)
Total comprehensive income for the period	-	-	-	66,190,113	66,190,113
Transactions with owners, recorded directly in equity					
Final dividend 2013: Rs 2.75 per share	-	-	-	(11,827,553)	(11,827,553)
First interim dividend 2014: Rs 2.00 per share	-	-	-	(8,601,857)	(8,601,857)
Total distributions to owners	-	-	-	(20,429,410)	(20,429,410)
Balance at 31 December 2013	<u>43,009,284</u>	<u>836,000</u>	<u>5,345,000</u>	<u>308,836,440</u>	<u>358,026,724</u>
Balance at 01 July 2014	43,009,284	836,000	5,770,000	346,055,921	395,671,205
Transfer to self insurance reserve	-	-	431,847	(431,847)	-
Charged to self insurance reserve	-	-	(6,847)	6,847	-
Total comprehensive income for the period					
Profit for the period	-	-	-	47,828,372	47,828,372
Other comprehensive loss for the period	-	-	-	(521,717)	(521,717)
Total comprehensive income for the period	-	-	-	47,306,655	47,306,655
Transactions with owners, recorded directly in equity					
Final dividend 2014: Rs 3.00 per share	-	-	-	(12,902,786)	(12,902,786)
First interim dividend 2015: Rs 2.50 per share	-	-	-	(10,752,321)	(10,752,321)
Total distributions to owners	-	-	-	(23,655,107)	(23,655,107)
Balance at 31 December 2014	<u>43,009,284</u>	<u>836,000</u>	<u>6,195,000</u>	<u>369,282,469</u>	<u>419,322,753</u>

The annexed notes 1 to 23 form an integral part of this condensed interim financial information.

Chief Executive

Director

OIL AND GAS DEVELOPMENT COMPANY LIMITED**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014****1 LEGAL STATUS AND OPERATIONS**

Oil and Gas Development Company Limited (OGDCL), "the Company", was incorporated on 23 October 1997 under the Companies Ordinance, 1984. The Company was established to undertake exploration and development of oil and gas resources, including production and sale of oil and gas and related activities formerly carried on by Oil and Gas Development Corporation, which was established in 1961. The registered office of the Company is located at OGDCL House, Plot No. 3, F-6/G-6, Blue Area, Islamabad, Pakistan. The Company is listed on all the three stock exchanges of Pakistan and its Global Depository Shares (IGDS = 10 ordinary shares 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 2014 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 2014. Comparative condensed interim balance sheet is extracted from the audited annual financial statements as of 30 June 2014, 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 2013.

This condensed interim financial information is unaudited and is being submitted to the members as required under Section 245 of the Companies Ordinance, 1984 and listing regulations of Karachi 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 2014.

		Unaudited 31 December 2014	Audited 30 June 2014
	Note	------(Rupees '000)-----	
4 TRADE AND OTHER PAYABLES			
Creditors		885,841	1,534
Payable to Government of Pakistan -on account of Kunnar discount	4.1	2,085,112	2,085,112
Accrued liabilities		5,268,542	5,461,545
Royalty payable		5,231,584	5,030,253
Excise duty payable		260,186	263,989
General sales tax payable		1,790,254	1,843,507
Gas Infrastructure Development Cess (GIDC) Payable		1,934,852	-
Provincial sales tax payable		-	7,528
Payable to joint venture partners		5,153,833	4,554,969
Retention money		4,826,714	1,617,016
Trade deposits		122,210	73,478
Employees' pension trust		2,180,914	11,791,096
Workers' profit participation fund - net		3,932,092	-
Un-paid dividend	4.2	17,280,885	13,936,304
Un-claimed dividend		180,098	416,219
Payable to benevolent fund		-	15
Advances from customers		776,137	873,443
Other payables		288,110	89,559
		<u>52,197,364</u>	<u>48,045,567</u>

- 4.1** This represents payable to Ministry of Finance in respect of price discount on Kunnar crude sale, withheld by the Company due to related receivable from a customer and tax recoveries made by tax authorities. Also refer note 5.1.1 to the condensed interim financial information.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

4.2 This includes an amount of Rs 7,605 million (30 June 2014: Rs 5,228 million) payable to OGDCL Employees' Empowerment Trust. The payment of dividend has been withheld since the GoP is considering to revamp Benazir Employees' Stock Option Scheme (BESOS) as communicated to the Company by Privatization Commission of Pakistan through Letter no 13(4)12/PC(BESOS)/OGDCL dated 30 June 2014.

5 CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

5.1.1 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. Upto 31 December 2014, the tax authorities have recovered Rs 3,532 million (30 June 2014: Rs 1,375 million) from the Company. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) where hearing of the case has been concluded and order of ATIR is awaited. 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 favour of the Company as the discounted price for Kunnar field was finally determined by the Ministry of Petroleum and Natural Resources (MPNR) and major portion of price discount amount was paid to the Government of Pakistan (GoP) during the year ended 30 June 2014 upon directions from the Ministry of Finance, to this effect.

5.1.2 Claims against the Company not acknowledged as debts amounted to Rs 1,486.038 million at period end (30 June 2014: Rs 1,486.038 million).

5.1.3 Certain banks have issued guarantees on behalf of the Company in ordinary course of business aggregating Rs 1.707 million (30 June 2014: Rs 1.707 million).

5.2 Commitments

5.2.1 Commitments outstanding at period end amounted to Rs 45,449.425 million (30 June 2014: Rs 47,553.857 million). These include amounts aggregating to Rs 28,306.205 million (30 June 2014: Rs 27,035.950 million) representing the Company's share in the minimum work commitments under Petroleum Concession Agreements.

5.2.2 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 21,808.118 million (30 June 2014: Rs 28,731.248 million).

5.2.3 The Company's share of associate commitments for capital expenditure based on the financial information of associate for the period ended 30 September 2014 was Rs 1,594.181 million (30 June 2014: Rs 1,782 million).

	Unaudited 31 December 2014	Audited 30 June 2014
Note	----- (Rupees '000) -----	

6 PROPERTY, PLANT AND EQUIPMENT

Carrying amount at beginning of the period/ year	71,803,994	52,605,226
Additions/adjustments during the period/ year	6.1 21,466,065	25,086,393
Book value of disposals	(17,886)	(25,397)
Depreciation charge for the period/ year	(3,087,449)	(5,485,142)
Impairment charge for the period/ year	(189,590)	(135,668)
Revision in estimate of decommissioning cost during the period/ year	-	(241,418)
Carrying amount at end of the period/ year	89,975,134	71,803,994

OIL AND GAS DEVELOPMENT COMPANY LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	Unaudited 31 December 2014	Audited 30 June 2014
	------(Rupees '000)-----	
6.1 Additions/adjustments during the period/ year		
Freehold land	-	364
Buildings, offices and roads on freehold land	13,056	527,424
Buildings, offices and roads on leasehold land	65,971	973,440
Plant and machinery	4,087,065	11,190,956
Rigs	(454,895)	2,950,401
Pipelines	1,454,848	1,425,869
Office and domestic equipment	179,754	61,249
Office and technical data computers	47,342	195,848
Furniture and fixture	8,169	12,490
Vehicles	120,671	352,682
Decommissioning cost	-	(397,025)
Capital work in progress (net)	15,433,537	6,728,832
Stores held for capital expenditure (net)	510,547	1,063,863
	<u>21,466,065</u>	<u>25,086,393</u>
7 DEVELOPMENT AND PRODUCTION ASSETS - INTANGIBLE		
Carrying amount at beginning of the year	74,329,473	74,651,460
Additions during the period/ year	8,438,560	18,189,251
Transferred from exploration and evaluation assets during the period/year	5,013,134	1,244,211
Amortization charge for the period/ year	(8,874,936)	(18,061,296)
Impairment charge for the period/ year	(243,686)	(585,192)
Reversal of impairment during the period/ year	-	583,758
Revision in estimate of decommissioning cost during the period/ year	-	(1,692,719)
Carrying amount at end of the period/ year	<u>78,662,545</u>	<u>74,329,473</u>
8 EXPLORATION AND EVALUATION ASSETS		
Balance at beginning of the period/ year	7,913,076	4,811,334
Additions during the period/ year	5,432,224	8,784,888
	<u>13,345,300</u>	<u>13,596,222</u>
Cost of dry and abandoned wells during the period/ year	(2,775,609)	(4,438,935)
Cost of wells transferred to development and production assets during the period/ year	(5,013,134)	(1,244,211)
	<u>(7,788,743)</u>	<u>(5,683,146)</u>
	5,556,557	7,913,076
Stores held for exploration and evaluation activities	2,179,616	1,724,712
Balance at end of the period/ year	<u>7,736,173</u>	<u>9,637,788</u>

OIL AND GAS DEVELOPMENT COMPANY LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

		Unaudited 31 December 2014	Audited 30 June 2014
	Note	----- (Rupees '000) -----	
9 LONG TERM INVESTMENTS			
Investment in related party - associate, quoted			
Mari Petroleum Company Limited (MPCL)	9.1	412,141	375,807
Investments held to maturity			
Term Deposit Receipts (TDRs)	9.2	5,862,129	5,345,000
Investment in Pakistan Investment Bonds	9.3	52,424,339	52,672,701
Investment in Term Finance Certificates	9.4	82,000,000	82,000,000
		<u>140,286,468</u>	<u>140,017,701</u>
		<u>140,698,609</u>	<u>140,393,508</u>

9.1 The Company's share of distributable profits of MPCL, for the purpose of applying equity method of accounting for the six months period ended 31 December 2014, is based on unaudited financial information of MPCL for the quarter ended 30 September 2014 (2013 : 30 September 2013) prorated for the six months period. The financial information of MPCL for the six months period ended 31 December 2014 were not issued till the date of authorization of condensed interim financial information of the Company.

9.2 These represent investments in local currency TDRs carrying effective interest rate of 9.91% (30 June 2014: 10.75%) per annum. These investments are earmarked against self insurance reserve.

9.3 This represents investment in Pakistan Investment Bonds (PIB's) 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.

9.4 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 shall be repaid in eight (8) equal installments starting from 42nd month of date of transaction. The interest due as of 31 December 2014 is Rs 7,443 million (30 June 2014: Rs 6,911 million) of which Rs 4,605 million (30 June 2014: Rs 4,083 million) was past due as of the balance sheet date.

		Unaudited 31 December 2014	Audited 30 June 2014
		----- (Rupees '000) -----	
10 TRADE DEBTS			
Un-secured, considered good		109,208,458	100,510,995
Un-secured, considered doubtful		112,782	112,782
		<u>109,321,240</u>	<u>100,623,777</u>
Provision for doubtful debts		(112,782)	(112,782)
		<u>109,208,458</u>	<u>100,510,995</u>

10.1 Trade debts include overdue amount of Rs 67,273 million (30 June 2014: Rs 53,265 million) mainly on account of Inter-Corporate Circular debt, receivable from oil refineries and gas companies. 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 LOANS AND ADVANCES

This includes an amount of Rs 3,180 million (30 June 2014: 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 from 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 debts. Uch Power Limited (UPL) challenged the grant of time relaxation to the Company by FBR before Islamabad High Court. On 27 December 2013, the Honourable Court decided the matter in favour 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 from July 2004 to March 2011 and currently the matter is pending with FBR.

UPL has filed an Intra Court appeal against the decision of the Islamabad High Court. Management and its legal advisor are confident that the Intra Court appeal by UPL will also be decided in favour of the Company.

OIL AND GAS DEVELOPMENT COMPANY LIMITED
SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014

	Note	Unaudited 31 December 2014	Audited 30 June 2014
------(Rupees '000)-----			
12 INCOME TAX - ADVANCE			
Income tax- advance/ (provision for taxation) at beginning of the period/ year		14,319,141	(2,238,065)
Income tax paid during the period/ year		26,524,339	53,272,836
Income tax recovered by tax authorities during the period/ year		2,157,590	1,374,654
Provision for current taxation for the period/ year- Profit and loss account		(22,526,773)	(52,258,517)
Tax credit related to remeasurement loss on employee retirement benefit plans for the period/ year - other comprehensive income		537,454	13,204,249
Provision for taxation - prior years		(9,403,596)	963,984
Income tax - advance at end of the period/ year	12.1	<u>11,608,155</u>	<u>14,319,141</u>

12.1 This includes Rs 3,532 million (30 June 2014: Rs 1,375 million) recovered by tax authorities as fully explained in note 5.1.1 to this condensed interim financial information.

	Note	Unaudited 31 December 2014	Audited 30 June 2014
------(Rupees '000)-----			
13 OTHER FINANCIAL ASSETS			
Investments:			
At fair value through profit or loss - NIT units		299,796	275,551
Investment in Term Deposits	13.1	<u>32,492,183</u>	<u>37,261,746</u>
		<u>32,791,979</u>	<u>37,537,297</u>

13.1 This includes foreign currency TDRs amounting to USD 302.953 million (30 June 2014: USD 319.401 million), carrying interest rate ranging from 4.50% to 4.85% (30 June 2014: 3.25% to 3.95%) per annum, having maturities between three months to six months. These also include local currency TDRs amounting to Rs 2,000 million (30 June 2014: Rs 5,587 million), carrying interest rate of 10.25% (30 June 2014: 9.85% to 9.90%) per annum having maturities up to three months.

	Three months ended 31 December		Six months ended 31 December	
	2014	2013	2014	2013
------(Rupees '000)-----				
14 SALES - net				
Gross sales				
Crude oil	25,684,918	35,002,632	57,677,053	66,722,353
Gas	34,819,541	33,197,884	71,761,705	68,628,509
Liquefied petroleum gas	1,734,049	1,465,387	3,450,813	2,675,343
Sulphur	75,676	-	338,645	252,362
Other operating revenue	13,734	16,170	32,705	28,844
	<u>62,327,918</u>	<u>69,682,073</u>	<u>133,260,921</u>	<u>138,307,411</u>
Government levies				
Excise duty	(820,995)	(839,175)	(1,699,668)	(1,743,997)
General sales tax	(5,324,407)	(5,089,123)	(10,982,765)	(10,393,214)
Gas Infrastructure Development Cess (GIDC)	(1,934,852)	-	(1,934,852)	-
	<u>(8,080,254)</u>	<u>(5,928,298)</u>	<u>(14,617,285)</u>	<u>(12,137,211)</u>
	<u>54,247,664</u>	<u>63,753,775</u>	<u>118,643,636</u>	<u>126,170,200</u>

14.1 Oil and gas sales include sales from Dhachrapur, Nur-Bagla and Jakhro 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.

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14.2 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 Southren Gas Company Limited (SSGCL) claimed that as per applicable petroleum policy the delivery point should be Ex-KPD field instead of JJVL plant. The matter was later decided between SSGCL and OGDCL and term sheet was signed in 2013, based on which delivery point was changed to Ex-KPD and OGDCL renounced its right on LPG 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 & condensate from the JJVL field 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 Ex-JJVL to Ex-KPD. 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.

	Three months ended 31 December		Six months ended 31 December	
	2014	2013	2014	2013
	------(Rupees '000)-----			
15 OTHER INCOME				
Interest Income	4,592,023	4,599,526	9,121,213	9,026,619
Dividend income from NIT units	-	-	18,615	17,026
Un-realized gain on investments at fair value through profit or loss	33,734	41,907	24,245	33,280
Exchange (loss)/gain - net	(776,567)	455,397	806,451	2,819,902
Others	91,991	(402,290)	251,016	222,755
	<u>3,941,181</u>	<u>4,694,540</u>	<u>10,221,540</u>	<u>12,119,582</u>
16 TAXATION				
Current - charge/(credit)				
- for the period	9,745,365	14,988,306	22,526,773	27,253,815
- for prior period	8,304,218	(3,339,307)	9,403,596	(3,339,307)
	18,049,583	11,648,999	31,930,369	23,914,508
Deferred - charge/(credit)				
- for the period	1,132,019	289,370	1,220,305	486,919
- for prior period	(5,570,031)	(1,127,801)	(6,269,303)	(1,127,801)
	(4,438,012)	(838,431)	(5,048,998)	(640,882)
	<u>13,611,571</u>	<u>10,810,568</u>	<u>26,881,371</u>	<u>23,273,626</u>
17 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit for the period (Rupees '000)	<u>19,518,298</u>	<u>33,638,435</u>	<u>47,828,372</u>	<u>67,226,930</u>
Average number of shares outstanding during the period	<u>4,300,928</u>	<u>4,300,928</u>	<u>4,300,928</u>	<u>4,300,928</u>
Earnings per share - basic (Rupees)	<u>4.54</u>	<u>7.82</u>	<u>11.12</u>	<u>15.63</u>

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

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	Unaudited 31 December 2014	Unaudited 31 December 2013
	------(Rupees '000)-----	
18 CASH AND CASH EQUIVALENTS		
Cash and bank balances	5,160,865	14,154,470
Short term highly liquid investments	32,492,183	58,740,590
	<u>37,653,048</u>	<u>72,895,060</u>

19 RELATED PARTIES TRANSACTIONS

Government of Pakistan owns 74.97% (30 June 2014: 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 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 financial statements. Transactions of the Company with related parties and balances outstanding at period end are as follows:

	Six months ended 31 December	
	2014	2013
	------(Rupees '000)-----	
Associated company		
Share of profit in associate - net of taxation	54,709	56,008
Major shareholders		
Government of Pakistan		
Dividend paid	9,673,623	8,867,488
Payable as at 31 December - Dividend	8,061,352	-
Related parties by virtue of common directorship and GoP holdings		
Government Holdings (Private) Limited (GHPL)		
GHPL share (various fields)	22,592	45,933
Receivable as at 31 December	829,084	459,140
Power Holding (Private) Limited (PHPL)		
Markup earned	4,615,095	4,228,392
Receivable as at 31 December- Investment in TFCs and markup	89,443,129	88,901,569
State Bank of Pakistan		
Interest earned on Pakistan Investment Bonds (PIBs)	2,943,426	2,943,426
Receivable as at 31 December- Investment in PIBs and markup	53,428,182	53,428,182
Pak Arab Refinery Company Limited		
Sale of crude oil	6,067,298	3,463,749
Trade debts as at 31 December	2,485,774	-
Advance as at 31 December	-	3,492,367
Sui Northern Gas Pipelines Limited		
Sale of natural gas	26,640,668	31,281,309
Purchase of high BTU value gas	1,986,766	1,349,672
Trade debts as at 31 December	15,412,397	11,744,196
Payable as at 31 December	199,454	1,098
Sui Southern Gas Company Limited		
Sale of natural gas	28,519,971	29,753,692
Pipeline rental charges	18,330	28,029
Trade debts as at 31 December	63,004,360	43,600,771
Pakistan State Oil Company Limited		
Purchase of petroleum, oil and lubricants	2,038,667	2,194,827
Trade debts as at 31 December	1,867	1,867
Payable as at 31 December	2,700	-

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RELATED PARTIES TRANSACTIONS - Continued

National Insurance Company Limited

Insurance premium paid	264,301	178,965
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National Logistic Cell

Crude transportation charges paid	683,278	625,470
Payable as at 31 December	552,292	433,204

Enar Petrotech Services Limited

Consultancy services	800	85,662
Sale of crude oil	5,592,136	6,992,026
Trade debts as at 31 December	1,296,210	2,137,875
Payable as at 31 December	5,147	1,761

Other related parties

Contribution to staff benefit funds	12,036,812	4,502,712
Remuneration including benefits and perquisites of key management personnel	298,509	230,374

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

20 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 2014.

21 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE

21.1 The Board of Directors approved interim cash dividend at the rate of Rs 2.00 per share amounting to Rs 8,602 million in its meeting held on 4 February 2015.

22 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 4 February 2015 by the Board of Directors of the Company.

23 GENERAL

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

Chief Executive

Director