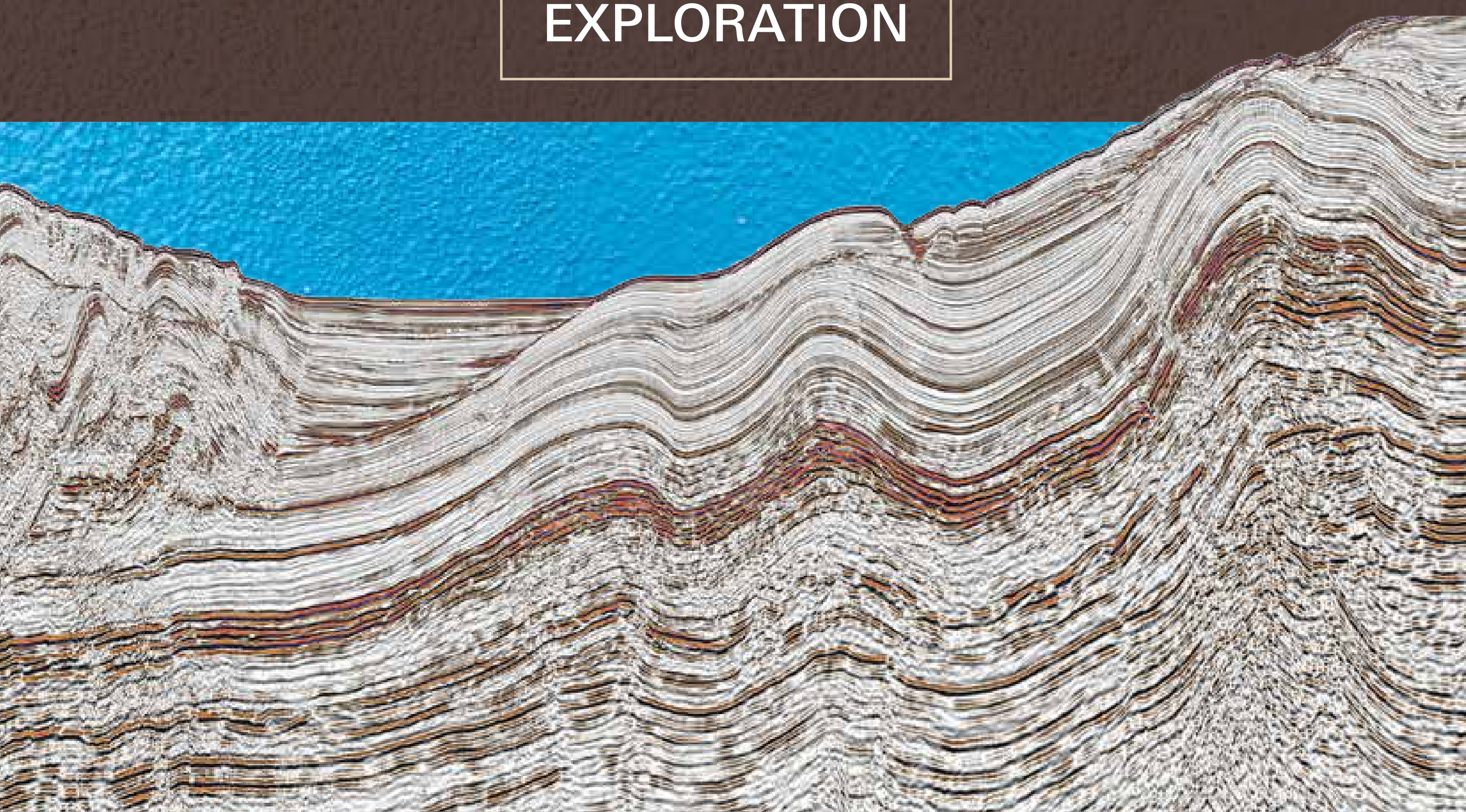
PAKISTAN OILFIELDS LIMITED

Annual Report &
Financial Statements
2015

GROWTH THROUGH EXPLORATION



Pakistan Oilfields Limited is a leading oil and gas exploration and production company listed on all the three stock exchanges of Pakistan.The Company's prime focus is to deliver performance through excellence in the field of exploration, drilling and production of crude oil and gas.

Pakistan Oilfields Limited (POL), a subsidiary of The Attock Oil Company Limited (AOC), was incorporated on November 25, 1950. AOC was founded in 1913 and made its first oil discovery in 1915 at Khaur, District Attock. AOC has, therefore, pioneered exploration and production of oil and gas in this region nearly a century ago. In 1978, POL took over the exploration and production business of AOC.

Since then, POL has been investing independently and in joint venture with various exploration and production companies for the search of oil and gas in the country.

In addition to exploration and production of oil and gas, POL plants also manufacture LPG, solvent oil and sulphur. POL markets LPG under its own brand named POLGAS as well as through its subsidiary CAPGAS (Private) Limited. POL also operates a network of pipelines for transportation of its own as well as other companies' crude oil to Attock Refinery Limited.

In 2005, the Company acquired a 25% share in National Refinery Limited, which is the only refining complex in the country producing fuel products as well as lube base oils.

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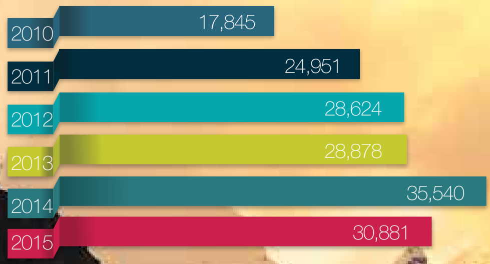
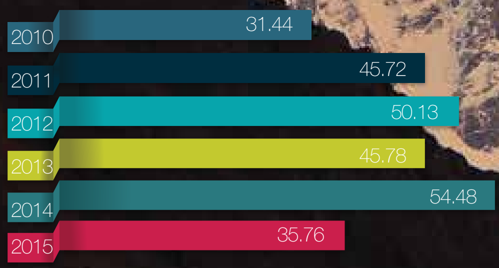
Financial Highlights

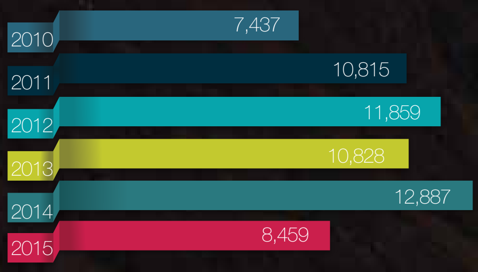
Net Sales
(Rs in million)



Earnings per share
(Rs per share)



Profit after tax
(Rs in million)



During 2015 **COMPANY ACHIEVED** NET SALES OF

RS 30,881 million

Rs 9,348 million
(2014: Rs 11,192 million)

Contribution to the national exchequer, in the shape of royalty and other government levies

US $ 598 million
(2014: US$ 650 million)

Saved foreign exchange during this year

Earning per share By quarter

Quarter	2015	2014
Q1	17.62	15.25
Q2	4.99	13.94
Q3	8.54	13.52
Q4	4.61	11.77

Jun 30,2015 - Total = 35.76 | Jun 30,2014 - Total = 54.48

Cash Dividend

RS **9,462** million

Exploration Cost

RS **4,729** million

Development Costs

RS **2,585** million

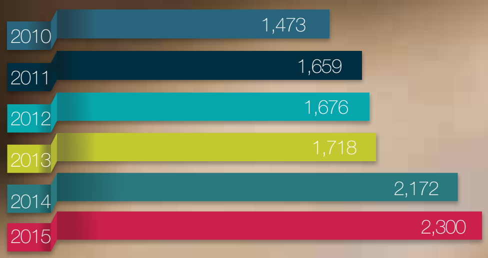
Well Workovers

RS **165** million

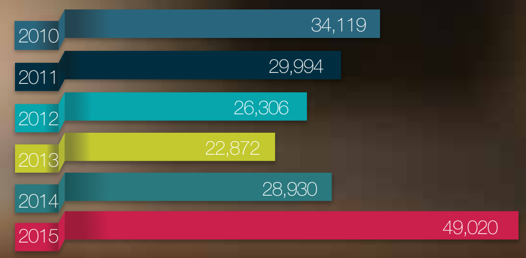
Financial Highlights

The Company continues to play a vital role in the oil and gas sector of the country

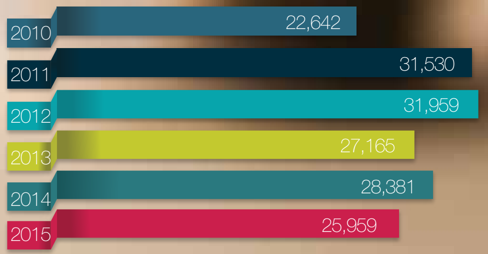
Crude oil production
(barrels thousand)



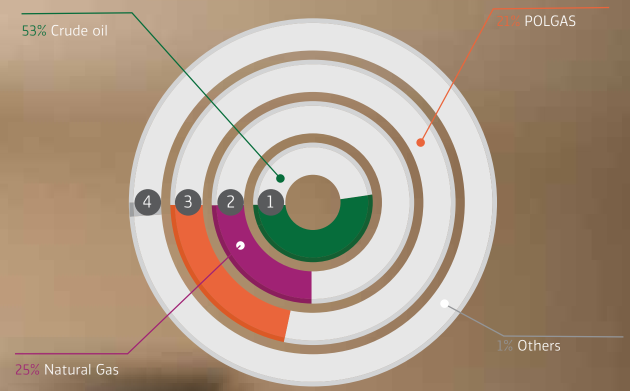
LPG production
(metric tons)



Gas production
(million cubic feet)

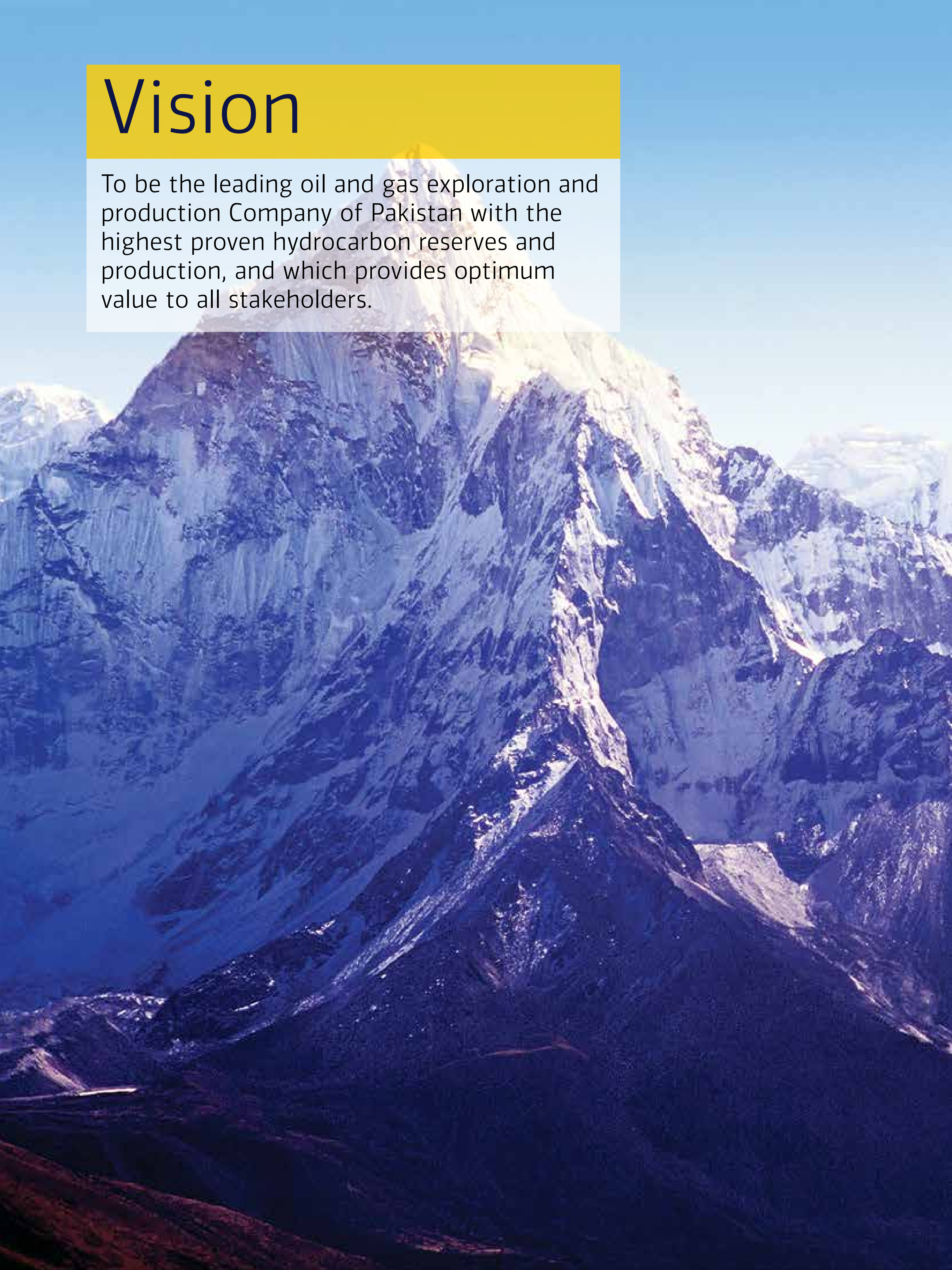


Revenue Mix by product
(%)



Vision

To be the leading oil and gas exploration and production Company of Pakistan with the highest proven hydrocarbon reserves and production, and which provides optimum value to all stakeholders.



Mission

We aim to discover and develop new hydrocarbon reserves and enhance production from existing reserves through the application of the best available technologies and expertise.

In achieving our aim, we will maximize the return to our shareholders, fully protect the environment, enhance the wellbeing of our employees and contribute to the national economy.

Strategy

Pakistan Oilfields Limited is a growth oriented leading exploration and production company of Pakistan. Our prime focus is to deliver performance through excellence in the field of exploration and exploitation. We plan to increase our current level of oil and gas production through the application of innovative technology to obtain maximum productivity. Our long term goal is to sustain production by regularly adding new reserves. Our ultimate goal is to maximize returns to our shareholders and provide optimum value to all stakeholders.

Core Values

Leadership

POL values leadership qualities with the necessary managerial and professional competence coupled with integrity, energy and the drive to challenge the status quo.

Continuous quality improvement

We strongly believe that quality and an unyielding commitment to continuous improvement are indispensable ingredients to achieving success. At POL, we encourage and promote an environment conducive to the development of breakthrough ideas leading to innovative solutions.

Ethics and integrity

Honesty, ethical behaviour and integrity combined with the highest professional and personal standards form the cornerstone of all our activities.

Profitability

We believe in maximizing the return to our shareholders and enhancing the long term profitability of the Company through the application of the best available technology and expertise.

Employees' growth and development

We believe in the creation of an environment focused on encouraging and empowering employees to contribute to the Company's success through personal growth and development.

Community involvement

We strongly believe actively involving the communities in which we operate for the advancement of their cultural and social life.

Safety, health and environment

We care about the health and safety of our employees and of the communities in which we conduct our business. We remain deeply committed to respect and protect the environment.

Employees will maintain the confidentiality of the Company's and its customers' confidential information which is disclosed to them.

Code of Conduct

- The Company's activities and operations will be carried out in strict compliance with all applicable laws and the highest ethical standards. The directors and employees will ensure that the Company deals in all fairness with its customers, suppliers and competitors.

- Employees, irrespective of their function, grade or standing, and the directors must avoid conflict of interest situations between their direct or indirect (including members of immediate family) personal interests and the interest of the Company.

- Employees must notify their direct supervisor of any actual or potential conflict of interest situation and obtain a written ruling as to their individual case. In case of directors, such ruling can only be given by the Board, and will be disclosed to the shareholders.

- The directors and employees may not take advantage of the Company's information or property, or their position with the Company, to develop inappropriate personal gains or opportunities. They may, however, receive gifts of token value or accept invitations only if such gifts or invitations have no influence on their decision making and are not illegal under any applicable law. No director or employee may receive from any customer, supplier or business associate of Pakistan Oilfields Limited cash, gifts or invitations with other than nominal monetary value.

- Trading by directors and employees of the Company in Pakistan Oilfields Limited shares is possible only in accordance with the more detailed guidelines issued from time to time by corporate management in accordance with applicable laws

- In its relations with governmental agencies, customers and suppliers, the Company will not, directly or indirectly, engage in bribery, kickbacks, payoffs, or any other corrupt business practices.

- The use, directly or indirectly, of Company funds for political contributions to any organization or to any candidate for public office is strictly prohibited.

- Corporate funds and assets will be utilized solely for lawful and proper purposes in line with the Company's objectives.

- No false or artificial entries shall be made in the Company's books and records for any reason, and all financial transactions must be accurately and properly accounted for in the books and records.

- All benefits provided to the directors and employees of Pakistan Oilfields Limited in addition to their standard remuneration will be awarded in full compliance with the Company's official policies.

- Pakistan Oilfields Limited will respect the privacy of data relating to individual persons (whether employees or third parties) which it may hold or handle as part of its information processing activities or otherwise.

- Employees will maintain the confidentiality of the Company's and its customers' confidential information which is disclosed to them.

- Pakistan Oilfields Limited will support a precautionary approach to environmental challenges, and, within its sphere of influence, undertake initiatives to promote greater environmental responsibility and encourage the development and diffusion of environmentally friendly technologies

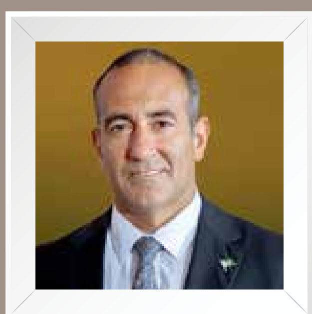
- Pakistan Oilfields Limited will support and respect the protection of international human rights within its sphere of influence, in particular the effective elimination of all sorts of compulsory labour and child labour, and it will make this a criterion in the choice and management of its suppliers and sub-contractors.

- Pakistan Oilfields Limited will not discriminate against any employee for any reason such as race, religion, political convictions or sex, and will treat everyone with dignity and with full respect for their private lives. This is expected also to apply to relations between members of personnel.

Chairman Attock Group of Companies

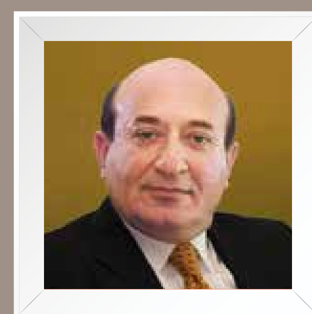
Board of Directors

Dr. Ghaith R. Pharaon



Mr. Laith G. Pharaon

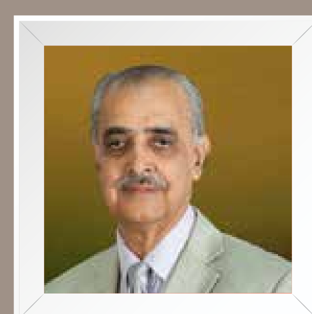
Mr. Wael G. Pharaon



Mr. Shuaib A. Malik

Mr. Abdus Sattar

Mr. Nihal Cassim

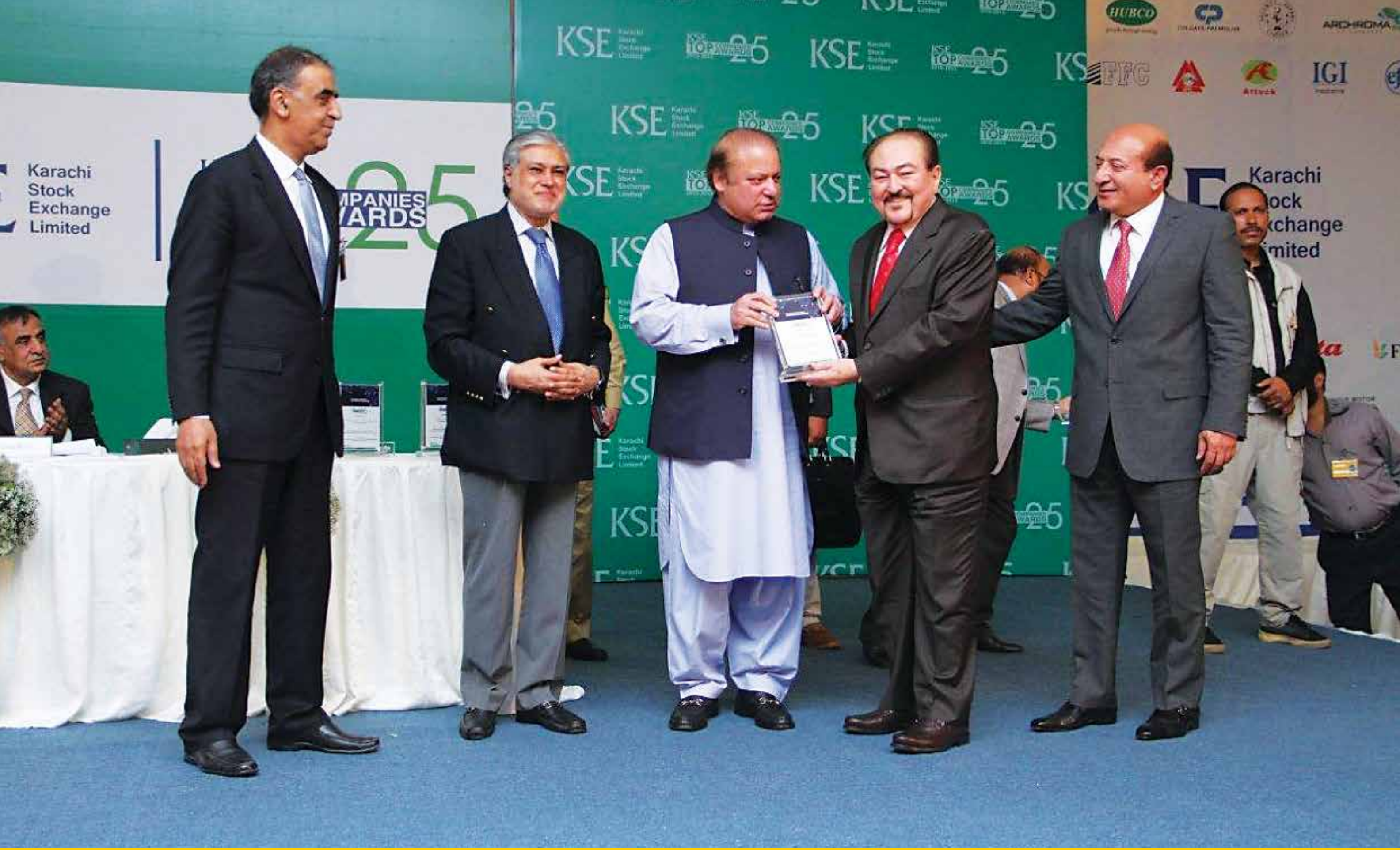


Mr. Tariq Iqbal Khan

Mr. Babar Bashir Nawaz
Alternate Director to
Mr. Wael G. Pharaon

Mr. Iqbal A. Khwaja
Alternate Director to
Mr. Laith G. Pharaon

Mr. Bilal Ahmad Khan
Alternate Director to
Dr. Ghaith R. Pharaon



KSE Top 25 Companies Awards 2011, 2012 & 2013

Profile of the Board of Directors

Dr. Ghaith R. Pharaon

An international investor and industrialist who has financial and trading interests in Pakistan and other parts of the world in various sectors like petroleum, power generation, chemical, real estate and cement etc. He holds an MBA from Harvard University and Masters in Petroleum Engineering from University of Colorado and Stanford University. He is also Chairman of The Attock Oil Company Limited, Attock Cement Pakistan Limited, Attock Petroleum Limited and National Refinery Limited and Director on the Board of various Companies in the Group. Under his supervision and guidance, group companies are amongst the top performing listed companies of Pakistan.

Mr. Laith G. Pharaon

A businessman and an international investor who has financial and trading interests in Pakistan and other parts of the world in various sectors like petroleum, power generation, chemical, real estate and cement etc. Mr. Laith holds a graduate degree from the University of Southern California. He is also Director on the Board of various Companies in the Group.

Mr. Wael G. Pharaon

A businessman and an international investor who has financial and trading interests in Pakistan and other parts of the world in various sectors like petroleum, power generation, chemical, real estate and cement etc. Mr. Wael holds a graduate degree. He is also Director on the Board of various Companies in the Group.

Mr. Shuaib A. Malik

Mr. Shuaib A. Malik has been associated with Attock Group of Companies for around 4 decades. He started his career as an Executive Officer in The Attock Oil Company Limited in July 1977 and served in different Companies in the Group at various times with the responsibility to supervise and oversee the operations and affairs of these Companies. He has exhaustive experience related to various aspects of upstream, midstream and downstream petroleum business. He obtained his bachelor's degree from Punjab University and has attended many international management programs, workshops and conferences including two such programs at British Institute of Management, UK and Harvard Business School, USA. Presently, he is holding the position of Group Chief Executive of the Attock Group of Companies, Chairman and Chief Executive of Pakistan Oilfields Limited, Chairman Attock Refinery Limited besides being the Director on the Board of all the Companies in the Group.

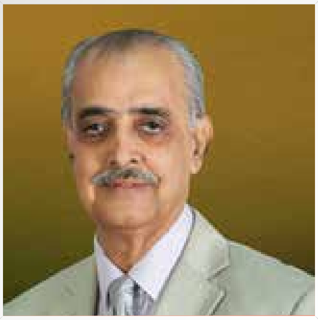
Mr. Abdus Sattar

Mr. Abdus Sattar has over 35 years of Financial Management experience at key positions of responsibility in various Government organizations / ministries, commercial organizations with the main objective of controlling costs of various commodities, to watch consumer interest, minimize government subsidies, improve government revenues, eliminate wasteful expenses / leakages and fixation of gas and POL prices. After serving as Financial Advisor to Ministry of Petroleum & Natural Resources, Government of Pakistan, he also remained Financial Advisor for Mari Gas Company Limited for around 8 years including 6 years as its Director on the Board. While working as Financial Advisor in Ministry of Petroleum he also served as Director on a number of boards like OGDCL, PPL, SNGPL, SSGCL, PSO, PARCO, ARL, POL, NRL, PMDC etc. as a nominee of Government of Pakistan for about seven years. He is a fellow member of Institute of Cost and Management Accountant of Pakistan (ICMAP) and was also nominated as council member of ICMAP for the three years (Jan 2000 to Dec 2002) by the Government of Pakistan. He has attended many advance financial management courses, programs and trainings in institutions of international repute in Pakistan and abroad. Presently, he is on the Board of Attock Refinery Limited, Pakistan Oilfields Limited, Attock Cement Pakistan Limited and National Refinery Limited and a visiting faculty member of a number of reputed universities and professional institutions.

Mr. Nihal Cassim

Mr. Nihal Cassim is the Chief Executive of Safeway Fund Limited, an asset management company managing two equity funds in Karachi. Before taking this position, he was engaged in his own corporate finance practice in Pakistan and concluded various assignments including advisory services to the seller of Crescent Leasing and certain sellers of PICIC including NIT. In Canada, Mr. Nihal was Vice-President and Head of small-cap Investment Banking for First Associates' (now Blackmont Capital, a CI Financial Company) eastern Canadian operations and he conducted several transactions in M&A, equity financing and corporate finance advisory. Prior to this, Mr. Nihal was responsible for the corporate development of TVX Gold Inc. and was involved in its C$4 billion merger with Kinross Gold. He began his investment banking career at HSBC Securities, Canada.

Mr. Nihal is an MBA (Finance & MIS) from McGill University. He is currently a Director on the Boards of Safeway Fund Limited, Pakistan Oilfields Limited and Ferozsons laboratories Limited. He is also a member of Pakistan Oilfields Limited's Audit Committee, Ferozsons Laboratories Limited's Investment Committee, Remuneration Committee and Chairs their Audit Committee. Mr. Nihal has served two terms as director on the Board of Mutual Funds Association of Pakistan. He takes particular interest in facilitating the development of the capital market and the protection of minority shareholders through improvements to the regulatory framework.



Mr. Tariq Iqbal Khan

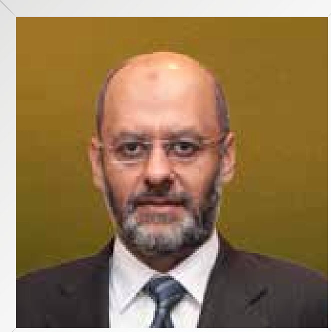
Mr. Tariq Iqbal Khan is a fellow member of Institute of Chartered Accountants, Pakistan, with diversified experience of more than 40 years. He was pivotal in founding Islamabad Stock Exchange where he subsequently served as President as well. He has also served as the Member Tax Policy & Co-ordination in the Central Board of Revenue, followed by being appointed as Commissioner SECP, where he was instrumental in restructuring the SECP. He also held the charge of Chairman SECP (acting) for a brief period. He served on prominent national level committees like Committee for formulation of Take Over law. CLA Committee for review of Security and Exchange Ordinance 1969, Committee for formulation of CDC law and regulations and Prime Minister's Committee for Revival of Stock Market. He served as the Chairman and MD of NIT for more than 8 years, which played the role of a catalyst in establishing, strengthening and stabilizing the capital markets. Additionally, during this period, he held the charge of Chairman & MD of ICP, for almost 5 years. He has served on Boards of the top companies like CDC, Faysal Bank, Bank Al Habib, GSK, ICI, Siemens, and Packages etc. Presently he is a member of the Boards of Gillette Pakistan Limited, International Steels Limited, Lucky Cement Limited, National Refinery Limited, Packages Limited, Silk Bank Limited and PICIC Insurance Limited.

Mr. Babar Bashir Nawaz

He has over 30 years of experience with the Attock Group. During this period he has held various positions in Finance, Personnel, Marketing & General Management before being appointed as the Chief Executive of Attock Cement Company Limited in 2002. Mr. Bashir holds a Master's degree in Business Administration from the Quaid-e-Azam University in Islamabad and at present is also a Director on the Board of all the listed companies of the Group in Pakistan. He has attended various courses, workshops and seminars in Pakistan and abroad on the business management. Currently he is also a member of the Management Committee of the Overseas Investors Chamber of Commerce and Industry.

Mr. Iqbal A. Khwaja

Mr. Iqbal Ahmad Khwaja is a fellow member of Institute of Chartered Accountant of England and Wales. He served with Attock Group of Companies for nearly thirty years in various capacities. He has been Chief Financial Officer and Corporate Secretary of Pakistan Oilfields Limited (POL), for many years. He rose to the position of its Deputy Chief Executive and also served on the Board of POL. He has also been CEO of POL's subsidiary Attock Chemicals (Pvt) Limited and CAPGAS (Pvt) Limited. During his tenure with the Group, he attended many national and international courses and seminars to remain up-todate with his professional knowledge. Due to his knowledge and vast experience, he has been retained by The Attock Oil Company Limited, in the capacity of an advisor. He is also an alternate Director on the Boards of National Refinery Limited, Pakistan Oilfields Limited and Attock Refinery Limited.



Mr. Bilal Ahmad Khan

Bilal Ahmad Khan is a fellow member of the Institute of Chartered Accountants of Pakistan. He is presently employed as General Manager and is a member of the Management Committee of Pakistan Oilfields Limited (POL). He has previously held the position of Chief Financial Officer and Company Secretary at POL. Prior to working at POL, he has worked in the telecom sector for fixed and cellular service providers. He has also taught at the graduate and undergraduate level at the Lahore University of Management Sciences.

Corporate Information

Directors

Dr. Ghaith R. Pharaon
Chairman
Attock Group of Companies
Alternate director:
Mr. Bilal Ahmad Khan

Mr. Laith G. Pharaon
Alternate Director:
Iqbal A. Khwaja

Mr. Wael G. Pharaon
Alternate Director:
Mr. Babar Bashir Nawaz

Mr. Abdus Sattar

Mr. Nihal Cassim

Mr. Tariq Iqbal Khan

Mr. Shuaib A. Malik
Chairman &
Chief Executive

Audit Commitee

Mr. Abdus Sattar	Chairman
Mr. Babar Bashir Nawaz	Member
Mr. Nihal Cassim	Member
Mr. Tariq Iqbal Khan	Member
Mr. Bilal Ahmad Khan	Member

Human Resource & Remuneration (HR&R) Committee

Mr. Babar Bashir Nawaz
Chairman

Mr. Shuaib A. Malik
Member

Mr. Abdus Sattar
Member

Mr. Bilal Ahmad Khan
Member

Company Secretary / CFO

Khalid Nafees

Head Office

Pakistan Oilfields Limited
P.O.L. House, Morgah, Rawalpindi

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Fax: + 92 51 5487598-99

E-mail: polcms@pakoil.com.pk
Website: www.pakoil.com.pk

Legal Advisor

Khan & Piracha

Ali Sibtain Fazli
& Associates

Auditors & Tax Advisor

A.F. Ferguson & Co.
Chartered Accountants

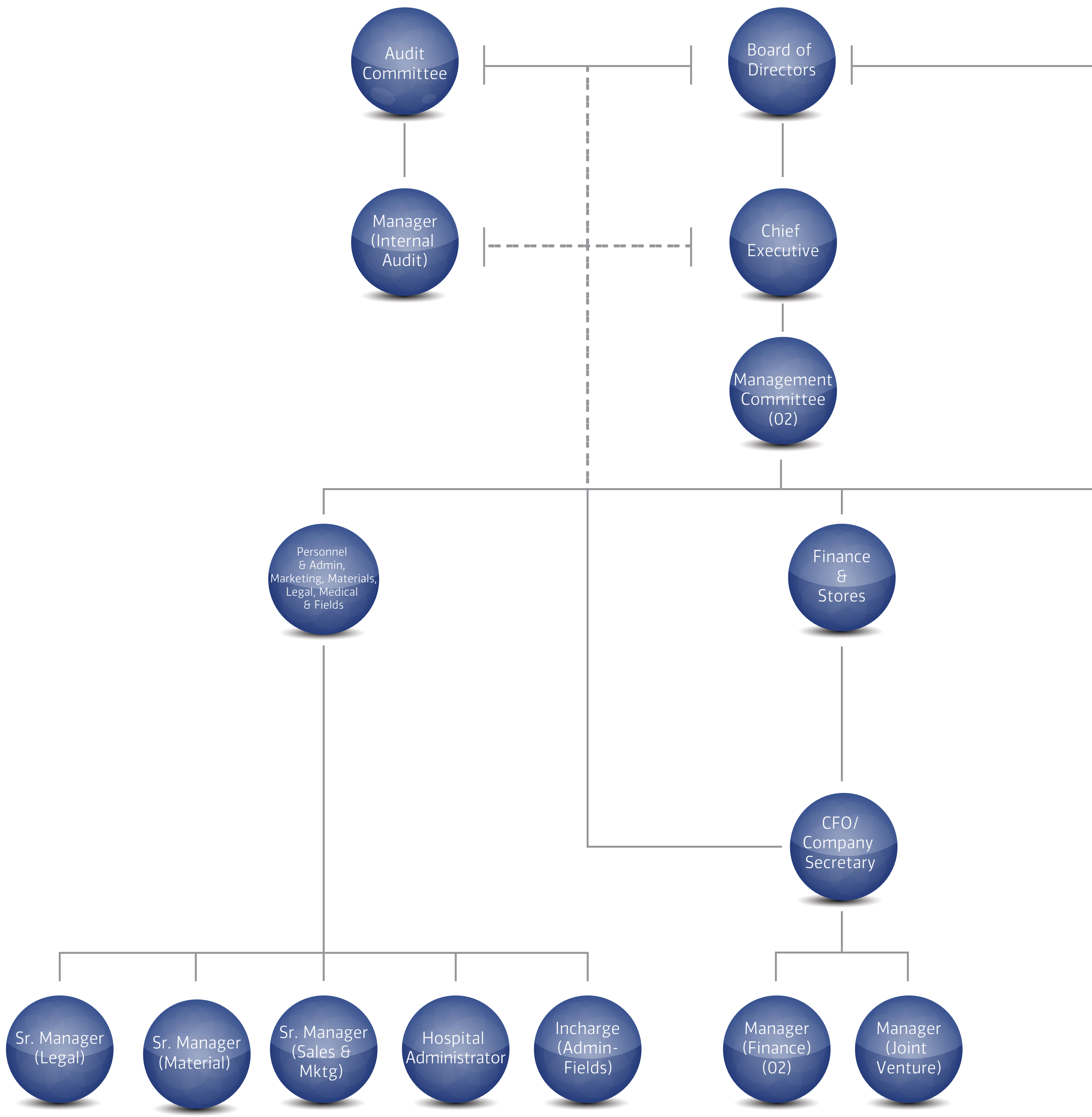
Shareholders Enquiries

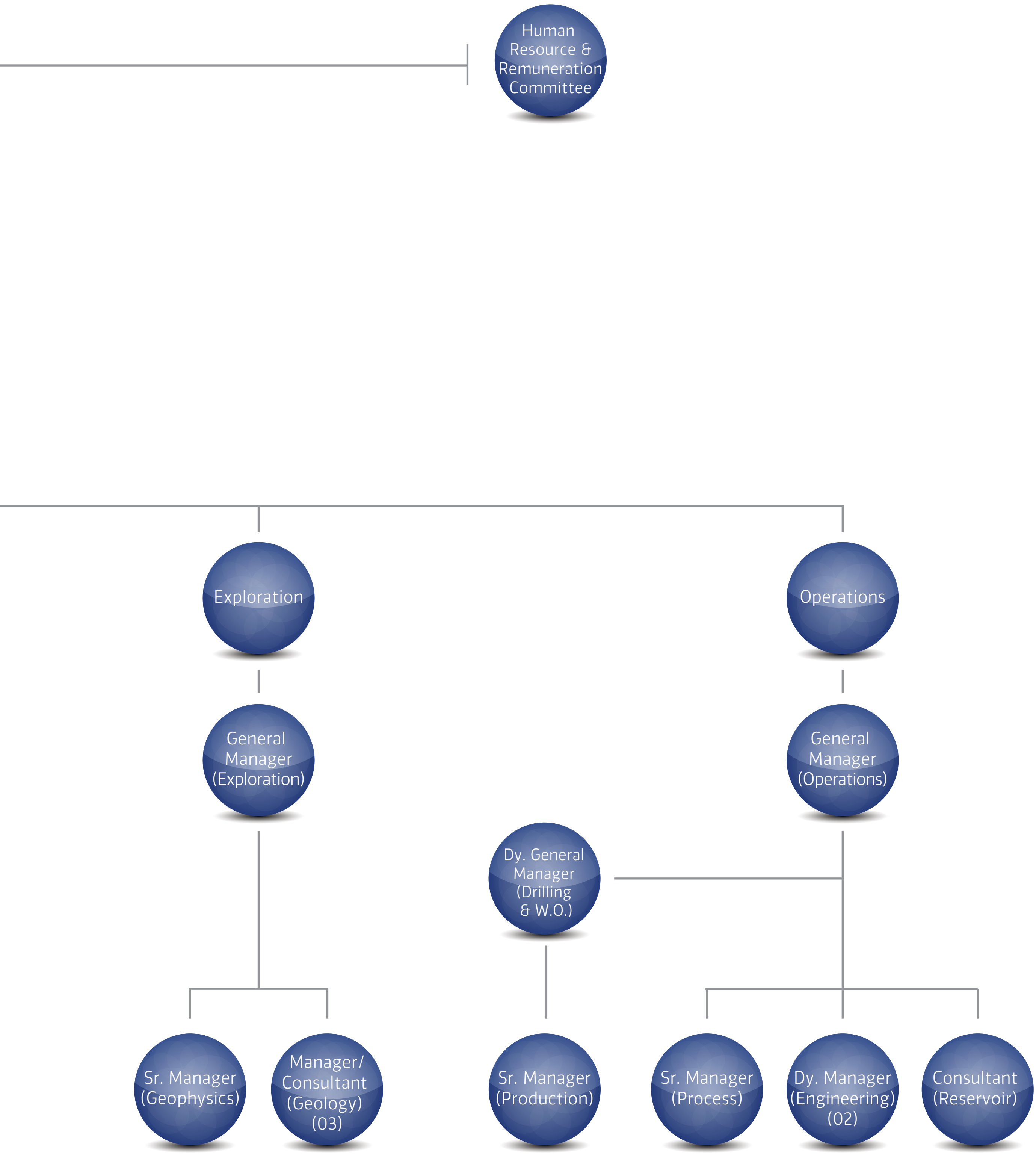
For enquiries about your shareholding, including information relating to dividends or share certificates, please E-mail to: cs@pakoil.com.pk or write to: The Company Secretary,
Pakistan Oilfields Limited
P.O.L. House, Morgah,
Rawalpindi, Pakistan

Annual Report

The annual report may be downloaded from the Company's website: www.pakoil.com.pk or printed copies may be obtained by writing to:
The Company Secretary,
Pakistan Oilfields Limited
P.O.L. House, Morgah,
Rawalpindi, Pakistan

Organogram


Audit Committee
Board of Directors
Manager (Internal Audit)
Chief Executive
Management Committee (02)
Personnel & Admin, Marketing, Materials, Legal, Medical & Fields
Finance & Stores
CFO/ Company Secretary
Sr. Manager (Legal)
Sr. Manager (Material)
Sr. Manager (Sales & Mktg)
Hospital Administrator
Incharge (Admin-Fields)
Manager (Finance) (02)
Manager (Joint Venture)


Human Resource & Remuneration Committee
Exploration
Operations
General Manager (Exploration)
General Manager (Operations)
Dy. General Manager (Drilling & W.O.)
Sr. Manager (Geophysics)
Manager/ Consultant (Geology) (03)
Sr. Manager (Production)
Sr. Manager (Process)
Dy. Manager (Engineering) (02)
Consultant (Reservoir)

Board Committees

Human Resource and Remuneration (HR&R) Committee

Composition	
• Mr. Babar Bashir Nawaz	Chairman
• Mr. Shuaib A. Malik	Member
• Mr. Abdus Sattar	Member
• Mr. Bilal Ahmad Khan	Member

Term of reference

The committee shall be responsible for:

i) Recommending human resource management policies to the board.

ii) Recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO.

iii) Recommending to the board the selection, evaluation, compensation (including retirement benefits) of COO, CFO, Company Secretary and Head of Internal Audit; and

iv) Consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO or COO.

Audit Committee

Composition

•	Mr. Abdus Sattar	Chairman
•	Mr. Babar Bashir Nawaz	Member
•	Mr. Nihal Cassim	Member
•	Mr. Tariq Iqbal Khan	Member
•	Mr. Bilal Ahmad Khan	Member

Terms of reference

i) Recommending to the Board of Directors the appointment of external auditors.

ii) Consideration of questions regarding resignation or removal of external auditor, audit fees and provision by the external auditors of any service to the Company in addition to audit of its financial statements.

iii) Determination of appropriate measures to safeguard the Company's assets.

iv) Review of preliminary announcements of results prior to publication.

v) Review of quarterly, half-yearly and annual financial statements of the company, prior to their approval by the Board of Directors, focusing on:
- major judgmental areas
- significant adjustments resulting from the audit
- the going concern assumption
- any changes in accounting policies and practices
- compliance with applicable accounting standards
- compliance with listing regulations and other statutory and regulatory requirements and
- significant related party transactions.

vi) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).

vii) Review of management letter issued by external auditors and management's response thereto.

viii) Ensuring coordination between the internal and external auditors of the Company.

ix) Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.

x) Consideration of major findings of internal investigations and management's response thereto.

xi) Ascertaining that the internal control systems including financial and operational controls, accounting systems and reporting structure are adequate and effective.

xii) Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors.

xiii) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body.

xiv) Determination of compliance with relevant statutory requirements.

xv) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and

xvi) Consideration of any other issue or matter as may be assigned by the Board of Directors.

Management Committees

Various committees have been constituted to look after the operational and financial matters of the Company. A brief description of the composition and terms of reference of the various committees are as follows:

Executive Committee

The Committee meets under the chairmanship of the Chief Executive to coordinate the activities and operations of the Company.

Review and Appraisal Committee

The Review and Appraisal Committee is responsible for ensuring that procurement of assets, goods and services is made in accordance with Company policies and procedures on competitive and transparent terms.

Risk Management Committee

The Risk Management Committee is responsible for ensuring that procedures to identify and continuously update risks are in place. The Committee oversees the process of assessment of the possible impact and likelihood of occurrence of identified risks. The Committee is also responsible for formulating a risk management response to effectively address and manage risks.

Business Strategy Committee

The Business Strategy Committee is responsible for preparing the strategic plan for the future growth of the Company. The Committee also reviews major projects and formulates recommendations after evaluation from technical and commercial aspects.

Systems and Technology Committee

The Systems and Technology Committee is responsible for developing and implementing an IT strategy for the Company. The Committee oversees the automation of processes and systems in line with latest technology. The Committee is also responsible for development of contingency and disaster recovery plans.

Budget Committee

The Budget Committee reviews and approves the annual budget proposals prior to being presented for the approval of the Board. The Committee also monitors utilization of the approved budget.

Safety Committee

The Safety Committee reviews and monitors Company's wide safety practices. It oversees the safety planning function of the Company and is responsible for safety training and awareness initiatives. The Committee is also responsible for publishing the Company's monthly safety newsletter "Safety Bulletin".

Global Compact

Through the power of collective action, Global Compact seeks to advance responsible corporate citizenship so that business can be part of the solution to the challenges of globalization. Today, hundreds of companies from all regions of the world,international labour and civil organizations are engaged in Global Compact.

Human Rights

Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2:	make sure that they are not complicit in human rights abuses.

Labor Standards

Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4:	the elimination of all forms of forced and compulsory labor;
Principle 5:	the effective abolition of child labor; and
Principle 6:	the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7:	Businesses should support a precautionary approach to environmental challenges;
Principle 8:	undertake initiatives to promote greater environmental responsibility; and
Principle 9:	encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10:	Businesses should work against all forms of corruption, including extortion and bribery.

Products

Crude Oil

An oily, flammable liquid that occurs naturally in deposits, usually beneath the surface of the earth. It consists principally of a mixture of hydrocarbons, with traces of various nitrogenous and sulphurous compounds. During the past 600 million years, incompletely decayed plant and animal remains have become buried under thick layers of rock. It is believed that petroleum consists of the remains of these organisms but it is the small microscopic plankton organism remains that are largely responsible for the relatively high organic carbon content of fine-grained sediments which are the principle source rocks for petroleum.

Little use other than as lamp fuel was made of petroleum until the development of the gasoline engine and its application to automobiles, trucks, tractors and airplanes. Today the world is heavily dependent on petroleum for motive power, lubrication, fuel, dyes, drugs and many synthetics.

Solvent oil

Solvent oil is one of the five major oil products closely related to people's daily life. Its application sectors also have a constant expansion. There are also extensive uses in rubber, leather and adhesive sectors.

Natural Gas

Natural mixture of gaseous hydrocarbons found issuing from the ground or obtained from specially driven wells. The composition of natural gas varies in different localities. Its chief component, methane, usually makes up from 70% to 95% and the balance is composed of varying amounts of ethane, propane, butane and other hydrocarbon compounds. Although commonly associated with deposits, it also occurs separately in sand, sandstone and limestone deposits. Some geologists theorize that natural gas is a byproduct of decaying vegetable matter in underground strata, while others think it may be primordial gases that rise up from the mantle. Because of its flammability and high calorific value, natural gas is used extensively as an illuminant and a fuel.

LPG

LPG is a mixture of gases, chiefly propane and butane, produced commercially from petroleum and stored under pressure to keep it in a liquid state. The boiling point of liquefied petroleum gas varies from about -44°C to 0°C, so that the pressure required to liquefy it is considerable and the containers for it must be of heavy steel. Common uses are for cooking and heating and lighting. It is also used for powering automotive vehicles. LPG is an attractive fuel for internal- combustion engines because it burns with little air pollution and little solid residue.

Sulphur

Solid Sulphur occurs principally in three forms, all of which are brittle, yellow in color, odorless, tasteless, and insoluble in water. It is a chemically active element and forms many compounds, both by itself (sulfides) and in combination with other elements. It is part of many organic compounds.

Sulphur is used in black gunpowder, matches and fireworks; in the vulcanization of rubber; as a fungicide and insecticide; and in the treatment of certain skin diseases. The principal use of Sulphur is in the preparation of its compounds. The most important Sulphur compound is Sulphuric acid.

Chairman's Statement

It gives me great pleasure to welcome you to the Sixty forth Annual General Meeting of the Company and to present the Company's Annual Report and Audited Financial Statements for the year ended June 30, 2015.

Results

This year your Company has earned profit after tax of Rs 8,458.9 million (2014: Rs 12,887.4 million). Decline in profit is mainly due to lower crude oil prices and higher exploration costs of Rs 3 billion. Oil production has showed a growth of 5.8% from the previous year.

The results of the Company's operations are dealt with in detail as per the annexed Directors' Report and Financial Statements.

Outlook

Last year, Makori Gas Plant Facility was commissioned and in addition to oil and gas production LPG production has increased substantially which is 69% higher as compared to previous year. During the year under review six wells were successful out of which Mardankhel-1 was a new find where two appraisal wells have been planned. Presently, five wells are under drilling out of which three wells are exploratory. In the year 2015-16 we plan to spud nine wells, out of which three wells would be exploratory. This shows our commitment to enhance our reserves base. Your Company is investing a substantial amount to increase its reserve base and with the Grace of Almighty Allah we are pretty much hopeful of success.

We are driven by our vision to be the leading oil and gas exploration and production company of Pakistan with ever increasing proven hydrocarbon reserves and continuously improving production. As we move forward, we have a number of factors in our favor; the strength of our balance sheet, our strong cash generation, our unmatched expertise and most of all, the dedication and will of our people.

Acknowledgment

On behalf of the Board, I would like to acknowledge the contributions made by the management staff, employees, regulatory authorities and various Government functionaries. Without their support these results would not have been possible.
I would also like to thank all the shareholders for their continued support.

Dr. Ghaith R. Pharaon
Chairman Attock Group of Companies

Rawalpindi, Pakistan
August 13, 2015

Oil Production has showed growth of around 5.8%

LPG Production increased by 69% than last year

Directors' Report

The Directors' have pleasure in presenting their Annual Report and Audited Financial Statements of the Company for the year ended June 30, 2015.

Sales volume of crude oil and LPG has increased by 10.7% and 56.1% respectively.

In the name of ALLAH, Most Gracious, Most Merciful

Assalam-u-Alaikum!

The Directors have pleasure in presenting a brief review of the operations and financial results of the Company for the year ended June 30, 2015.

Financial results

These are summarized below:	Rs. (000)
Profit for the year after providing for all expenses including depreciation, exploration, amortization and workers' funds.	11,489,493
Less: provision for taxation	(3,030,618)
Profit after tax	8,458,875

In this year, the Company made a profit after tax of Rs 8,459 million (2014: Rs 12,887 million), which is lower by 34.4 % as compared to last year. The profit translates into earnings per share of Rs 35.76 (2014: Rs 54.48 per share). Overall net sales are lower by Rs 4,659 million (13%), mainly due to lower crude oil prices and decline in production of gas volumes. However, Crude oil and LPG production has increased from last year and sales volume of crude oil and LPG have increased by 10.7% and 56.1% respectively. Increase in crude oil production is mainly from Makori East and Maramzai fields which has offset the decline in production from Manzalai, Makori and Mamikhel fields. Increase in LPG is mainly from TAL block due to commencement of LPG production from Makori Gas Plant Facility. Cost of sales has decreased mainly due to lower amortisation of development costs and lower royalty owing to declining crude oil prices. This was offset by increased own fields operating costs, POLGAS costs due to higher production/purchases and depreciation expense.

The details of the exploration activities are covered in detail by each geographical area later in this report.

Cash flows

Cash and cash equivalents decreased by Rs 212 million during the year (2014: increased by Rs 3,577million). Cash flows provided from operating activities were Rs 13,035 million, lower by 28.57% as compared to last year mainly due to higher operating and exploration costs and lower sales.

Contribution towards the economy

The Company continues to play a vital role in the oil and gas sector of the Country. During the year the Company saved foreign exchange in excess of

US$ 598 million (2014: US$ 650 million) for the Country. Contribution to the national exchequer, in the shape of royalty and other government levies, was Rs 9,348 million (2014: Rs 11,192 million).

Dividend

The Directors have recommended a final cash dividend @ 250% (Rs 25.00 per share). This is in addition to the interim cash dividend @ 150 % (Rs 15 per share) already declared and paid to the shareholders thereby making it a total cash dividend of Rs 40.00 per share for the year 2014-15 (2013-14: cash dividend of Rs 52.50 per share).

Production

Following is a comparison of production from the Company's fields including proportionate share from all operated and non-operated joint ventures:

		June 30, 2015	June 30, 2014
Crude Oil/Condensate	(US Barrels)	2,299,513	2,172,208
Gas	(Million Cubic Feet)	25,959	28,381
LPG	(Metric Tonnes)	49,020	28,930
Sulphur	(Metric Tonnes)	642	1,749
Solvent Oil	(US Barrels)	19,247	22,710

The Company's share in production, including that from joint ventures, for the period under review averaged 6,300 barrels per day (bpd) of crude, 71.12 million standard cubic feet per day (mmscfd) of gas, 52.73 bpd of solvent oil, 134.30 metric tonnes per day (MTD) of LPG and 1.76MTD of Sulphur.

The results of Mardankhel-01 well are as follows		
Formation	Condensate barrels per day	Gas mmscf per day
Samanasuk	516	12.78
Lumshiwal	2,105	24.01
Hungu	70	0.85
Lockhart	1,840	22.37

Exploration and development activities

Producing fields

At Balkassar (100% owned by POL), Balkassar X-1 was drilled to the target depth and tested, the well started producing small quantity of oil intermittently after placing jet pump. Rig was released on 2nd of February 2015. Side track of the well is being considered to encounter better fractures.

Balkassar B-7A well which is a replacement well of B-7 was producing hydrocarbons when its casing collapsed and the well was suspended. Good formation pressures were envisaged, recently good pressures were also recorded at nearby B-4 well. The proposed B–7A well has been spud on July 28, 2015 and is under drilling.

At Pindori (operated by POL with a 35% share), deeper (exploratory) formations proved tight at Pindori-9 well. The Sakesar formation tested 81 barrels of oil and 0.26 mmscf of gas per day. On the basis of production logging, bottom most intervals were successfully plugged to isolate upper zone. After PLT job the well was put on production and produced 139 barrels of oil and 0.46 mmscf of gas per day. Currently the well is under production.

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%), Manzalai-11 well was drilled down to the target depth and after conducting cased hole drill stem test (CHDST) the well produced 362 barrels of condensate per day and 12.50 mmscf of gas per day. The well has been connected to the production line.

Maramzai -3 well was drilled down to the target depth and after acid test the well produced 830 barrels of condensate per day and 20.39 mmscf of gas per day. This well has also been connected to the production line.

Makori East-4 well was drilled down to the target depth. After completion, the well produced 2,900 barrels of oil per day and 12.34 mmscf of gas per day.

Exploratory well Makori Deep-1, was spud on June 22, 2015 and drilled down to 5,702 ft. Proposed target depth of the well is ±18,144 ft.

Also at Tal block, the well location of Makori East-5 has been completed and drilling will be started in the month of August-2015. Rig is being mobilized.

The Makori Gas Processing Facility (MGPF) is fully functional and producing LPG of around 430 M.Tonnes per day.

Following are the highlights of Adhi field (operated by Pakistan Petroleum Limited, where POL has 11% share):

Adhi-20: After hydraulic fracturing the well produced 8.5 mmscf per day of gas and 600 barrels of oil per day.

Adhi-21: After hydraulic fracturing and cleaning the well produced 163 barrels of oil per day and 2.1 mmscf of gas per day.

Makori East-4 well produced 2,900 barrels of oil per day and 12.34 mmscf of gas per day.

Maramzai -3 well produced 830 barrels of oil per day and 20.39 mmscf of gas per day.

Adhi-22: The well tested and produced 1.5 mmscf of gas per day and 191 barrels of oil per day. Hydraulic fracturing has been done and the well is currently in cleaning process.

Adhi-23: The well was spud on February 26, 2015 and drilled down to 8,249 ft and further drilling is in progress. The proposed target depth of the well is ± 11,292 ft.

Adhi-24: The well was spud on October 22, 2014 and drilled down to 10,968 ft (Target Depth) and well is under testing phase.

Installation of Adhi gas processing Plant-3 is in progress having a capacity of 30 mmscfd of gas and is expected to be commissioned by September, 2015.

At Jhal Magsi South field (operated by OGDCL, where POL has 24% share), installation of gas processing plant is in progress.

At Bhangali field (operated by Ocean Pakistan Limited, where POL has 7% share), Bhangali-3 well was not successful. Workover on Bhangali-1 side track to realize un-drained area is in progress.

At Ratana Field (operated by Ocean Pakistan Limited, where POL has 4.545% share), Ratana-3 was deepened and tested in Wargal Formation, which was not successful. Datta and Lockhart formations were also tested and the well produced 136 barrels of oil per day and 3.54 mmscf gas per day from both formations. The well has been connected to the production line. An acid job was performed on Ratana Well- 2 on July 14, 2015. Before acidization, the well was flowing at 2.00 mmscf as per day with ±90 barrels per day of condensate. After the stimulation job, the rates were improved to 13.0 mmscf of gas per day and 600 barrels of condensate per day.

Exploration blocks

At Ikhlas block (operated by POL with an 80% share), 3D seismic data of 166 square kilometers was acquired and processed. Based on seismic data interpretation results a new location for an exploratory well is under review.

At DG Khan block recently acquired 260.45 line kilometers of 2D seismic data was processed, and interpretation resulted in identification of new leads. To firm up the identified leads, additional 2D seismic data acquisition plan of about 264 line kilometers is planned. 30% share in DG Khan Block has been farmed out to MOL Pakistan.

At Margala and Margala North Blocks (operated by MOL where POL has a 30% share), exploratory Well (MGN-01) was spud on June 18, 2014 and drilled down to the target depth. After three side tracks the well was tested but reservoir intervals proved to be tight and only flowed minor gas. The well is presently suspended for further evaluation. 2D seismic data acquisition and processing of ~ 33.0 line kilometers (strike line) in Margala E.L was completed. Interpretation on recently reprocessed 350 line kilometers of 2D seismic data is in progress to evaluate the remaining potential in both the exploration licenses.

At Tal block Malgin-1 (an exploratory well) was spud on February 28, 2014 and drilled down to the target depth. In the second drill stem test the well flowed 71 barrels of oil per day with 101 barrels water per day. It was decided to plug and abandon the well due to non commercial amount of hydrocarbons.

After interpretation results of Tolanj 3D seismic data, Tolanj South-01-exploratory well was spud on May 21, 2015 and drilled down to 9,492 ft. Proposed TD of the well is ± 16,945 ft. Further, to firm up Tolanj East well location, reprocessing of

Based on 3D seismic data interpretation two appraisal well locations Mardankhel-02 and Mardankhel-03 have been approved by the JVP.

During the year, 7.6 million barrels of crude oil from Nashpa, TAL and other fields were pumped to Attock Refinery Limited from KCDF

3D seismic data of 547 Sq.kms is in progress.

Mardankhel-1 well was spud on September 17, 2014 and drilled down to the target depth. After evaluation of logs it was decided to conduct four cased hole DST's and the results are as follows:-

Formation	Condensate barrels per day	Gas mmscf per day
Samanasuk	516	12.78
Lumshiwal	2,105	24.01
Hungu	70	0.85
Lockhart	1,840	22.37

Production from this well is expected to start during the second quarter of the year 2016 and actual flow rate may differ from rates mentioned above.

Based on the 3D seismic data interpretation two appraisal well locations Mardankhel-2 and Mardankhel-3 have been approved by the JVPs.

At Chak Naurang field (operated by OGDCL where POL has a 15% share), jet pump was installed at Chak Naurang South-1(exploratory well) and well produced 180 barrels of oil per day.

At Gurgalot Block (operated by OGDCL where POL has a 20% share), Surqamar-1 well is under drilling at 10,835 ft and proposed TD of the well is ± 18,373 ft.

Subsidiary

CAPGAS (Private) Limited (CAPGAS)

CAPGAS earned a profit after tax of Rs 100.38 million during the year (2013-14: Rs. 50.90 million). It has declared a total dividend of 1325% for the year 2014-15 (2013-14: 715%). The Company received an average of 28 metric tonnes per day LPG from the Adhi plant and an average of 4.8 metric tons per day of LPG from PARCO.

Crude Oil Transportation

Khaur Crude Oil Decanting Facility (KCDF) continued to operate satisfactorily. During the year, a total of 7.6 million barrels (2014: 7.3 million barrels) of crude oil from Nashpa, TAL and others fields were pumped to Attock Refinery Limited through this facility and the pipeline.

Risk Management

The Board remains committed to the philosophy of effective business risk management as a core managerial competency. The Board has established a structured approach to risk management through the formulation of a risk management policy and system. The Company is in a continuous process to implement, monitor and improve its risk management policy. The Company's risk management system requires approaching risk identification in a systematic manner by developing an understanding of the Company's strategic and operational objectives, and the opportunities and threats related to the achievement of these objectives as well as

analyzing the significant functions undertaken within the Company to identify significant risks which flow from these activities. Risks are required to be formally identified, prioritized and incorporated into a risk management response to effectively address risks.
The following is an outline of some of the material risks being faced by the Company:

1. **Oil price volatility:** The pricing for the Company's oil and gas production is benchmarked with international prices of crude oil and related products. Any unfavorable variance in the international prices is likely to adversely affect the Company's profitability.

2. **Exploration risk**: Exploration activity includes the risks of incorrect selection of exploration acreage, error in processing or interpretation of seismic data, incorrect selection of drilling site. The Company is mitigating exploration risks by using latest technologies, having experienced and efficient teams, entering into joint venture agreements to dilute risks and also consulting with external experts.

3. **Drilling risk:** Oil and gas drilling inherently is a high risk activity. The Company is exposed to a number of hazards during drilling of wells including well blow out, fishing, fire hazards and personal injury. In addition, the risk of not discovering oil and / or gas as expected would have an adverse affect on earnings. The Company is mitigating these risks by selecting efficient and professional teams and also by having

> The Company is in a continuous process to implement, monitor and improve its risk management policy.

strict criterion for selecting rig and other allied services/equipment. Further, the Company also obtains control of well insurance cover for all drilling wells.

4. **Underperformance of major oil and gas fields:** The Company's future earnings and profitability is dependent upon the production and reserves of its oil and gas fields. The actual production from fields may differ materially from estimates due to possible underperformance of the oil and gas reservoirs or other production related factors.

5. **Procurement planning related risk:** Managing risk in business is not a new phenomenon, but managing it well in a changing global environment is producing some significant challenges, especially for the procurement function. Vulnerability in the procurement process can be seen as a weakness or possible threat to the Company's profitability.

   The vulnerability can give rise to the following risks

- Commercial risks
- Operational – not having materials
- Contractual – exposure to liquidated damages

   The company is mitigating these risks by preparing of detailed well prognosis before the spud date and timely placement of procurement orders for long lead items.

6. **Engineering and process:** The over estimation of reserves and production can lead to investment of significant additional capital in the form of over size plant design by the engineering function. As far as practical, the Company obtains third party reserve certification to mitigate this risk.

7. **Environmental regulations:** The Company is subject to laws and regulations relating to health, safety and the environment. Changes to these laws and regulations may result in increased costs of compliance as well as penalties for non-compliance.

8. **Increased competition:** With increased competition in the oil and gas exploration and production sector, particularly in relation to the application and award of exploration concessions, the Company may be faced with higher competition than before. In addition, the Company's LPG marketing business may be adversely affected due to increased competition, decline in margins or disruption to LPG supply sources. The Company is in a continuous process to explore new opportunities by joining hands with other E & P companies by way of farm-in and farm-out agreements. In LPG marketing business, the Company has established a good storage capacity for continuous supply to keep margins intact and continues exploring for sustainable cost-effective sources of further supplies.

9. **Information technology failures:** The Company's operations may be adversely affected due to information technology failures especially in today's environment of reliance on IT systems, regulation and reporting deadlines.
   The company has a separate IT wing to control and monitor all related functions especially in relation to back up policy for continuous function.

10. **Economic and political risks:** Volatile economic and financial market conditions resulting from economic or political instability.

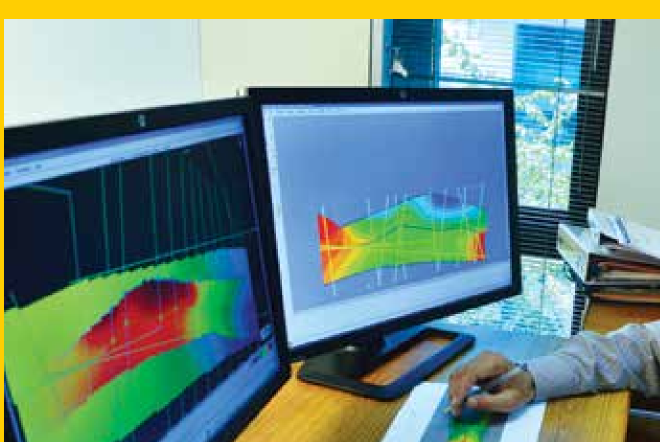
11. **Joint Venture Partners:** We are also operating in a joint venture environment and many of our projects are operated by other partners. Our ability to influence partners is sometimes limited, due to our small share in non-operated ventures. Non-alignment on various strategic decisions in joint ventures may result in operational and production inefficiencies or delays. We mitigate this risk by continuous and regular engagement of joint venture partners in operated and non-operated projects.

12. **Terrorist attacks:** A terrorist attack could have a material and adverse effect on our business. The company has taken a terrorist insurance cover of all its material installations to mitigate this risk.

13. **Third party liability:** A third party liability could have a material and adverse effect on our business. In order to mitigate the risk, the company is continuously evaluating the areas where insurance cover is required and has also taken a third party liability insurance which covers its drilling areas, pipelines and material installations.

14. **Lost in hole/damage beyond repair:** During drilling costly equipment are run in the hole for several jobs at different depths. In order to mitigate the risk the Company has its strong control and also taking insurance coverage.

Business Process Re-engineering & Development Activities



The Company believes that quality and an unyielding commitment to continuous improvement are indispensable ingredients to achieve success. All processes are subject to continuous evaluation and improvement. Being an Oil and Gas Exploration and Production company, research is an integral activity. Seismic data acquisition, processing and interpretation during geophysical activities involve selection of optimum data acquisition parameters through careful experimental investigation in the field. The Company undertakes comprehensive analysis to calculate the volume of sub-surface hydrocarbon's trap of any area, also uses latest sub-surface imaging technology, before drilling any prospect. In-house and outsourced G&G and reservoir studies are conducted to maintain and enhance recovery from the fields. In addition to drilling of development wells already mentioned by geographical location major business development projects under taken during the year are as follows:

POL IT Enhancements

IT Policy and Procedures

IT Policy and procedures have been developed and implemented. The Policy forms the operating guidelines for securing the Company's IT resources and also reduces Company's exposure to information practices that may compromise data availability, confidentiality and integrity.

Disaster Recovery Plan

Disaster recovery plan for the Company's IT resources has been developed. This will now provide a structured approach to minimize the impact of a disaster and an efficient way to resumption of IT activities of the Company.

Online Production, Stocks and Sales Management System (PSSM)

The said system is near implementation and will provide a single source of data for POL Process and Finance Departments regarding Crude, Gas and other POL products.

Business Intelligence (BI)

Development of a new reporting mechanism using BI tool and technologies is underway. This is meant to provide better visibility of data across POL.

Proof of Concept implementation of Business Intelligence has been completed. Process of finalizing requirements has been started for going live.

HR Job Description Library

Job functions and associated tasks for all departments have been compiled and documented. These will now be integrated with the POL HRMS software.

POL HRMS Enhancement:

POL Job functions and tasks library has been compiled. Software development for integration with HRMS has been initiated.

POLGAS Bottling Plant Dhulian IT Infrastructure:

POL IT infrastructure including LAN and PABX has been extended to POLGAS bottling facility at Dhulian.

Computerized Maintenance Management System (CMMS):

CMMS Pilot Project has been initiated for POL Engine Repair Shop. This will facilitate engineering with asset maintenance history, automated maintenance scheduling and inventory management.

Corporate Social Responsibility (CSR)

We at POL believe that we are an integral part of a community wherever we work. Investing in the communities in which we operate is not just a demand that must be met; it is a philosophy that we buy into. As part of its core values, the Company places tremendous importance towards contributing to the wellbeing of the communities in which it operates.

Our commitment to being a good corporate citizen includes:

- Protecting our environment.
- Operating in a socially responsible manner.
- Developing the communities in which we operate.
- Maintaining standards of excellence in our work and advocating healthy lifestyles.
- Acting with integrity and adhering to the highest ethical standards.
- Promoting diversity in our work force and partnering with diverse suppliers.
- Ensuring a safe, healthy workplace.

Our CSR initiative covers a wide spectrum of activities from the construction of roads and bridges to building schools, colleges and healthcare centers, conducting sport events and support to humanitarian and social work organizations. We are proud of our progress, but there is still much that we plan to do.

Education

Education is a leading instrument of nation building and economic growth of people. Here, at POL, our key focus lies in education, which we are keenly supporting in number of ways. POL focuses on education at the basic, primary, secondary, higher secondary and degree levels.

We believe that education is the bedrock of progress. Our development program focuses on education at all levels. POL, to date has spent Rs 77 million to improve the infrastructure of government schools through up gradation of schools & colleges of the vicinity by constructing class rooms, toilets provides computers and science laboratory apparatuses and also providing them furniture and fixtures that caters to about more than 25,000 students.

POL is not only spending on social welfare activities of its areas of operation but we are also running our own Higher Secondary School and Degree College at Khaur aided by well equipped lab facilities, modern library, highly qualified teaching staff and promoting extracurricular activities.

- POL Model High Secondary School Khaur has a spacious building, laboratory and a play ground. The school is run by an efficient team of qualified teachers delivering

commendable results. The school provides education from pre nursery to matriculation and has a fully equipped Montessori branch.

- Degree College at Khaur: POL is also operating a Degree College at Khaur. Dr. Rashad Degree College has a library and laboratories of physics, Chemistry, Biology and Computers. It is the signal project of the Company and is perennial benefit to the community. Dr. Rashad Degree College Khaur is a leading provider of post secondary education in the area.

Infrastructure development

Living standards of local inhabitants can only be improved if they have access to the bigger markets.

In order to upgrade living standards of the local community in the areas of operation, POL has not only contributed to construction of TST road network, but we have also extended this facility to their door step through concrete pavement of their streets and construction of cause ways /culverts and drainage systems. POL has executed over 162 projects at the cost of Rs.131.1 million to provide better accessibility and transportation.

POL's Pledge "Clean Water for All"

Basic needs of the rural people are met by POL by making the access to safe drinking water easy and less time consuming. Several projects have been undertaken in this regard.

POL has spent more than 23.1 million rupees on development of water supply schemes in different villages located around its Pariwali and Meyal fields. These projects range from installation of turbine & motor pumps and construction of overhead water tanks to setting up a wide distribution network to supply clean drinking water to more than 6,500 households in several villages. Such projects have also bought employment

Basic needs of the rural people are met by POL by making the access to safe drinking water easy and less time consuming.

We believe that education is the bedrock of progress. Our development program focuses on education at all levels.

opportunities for the locals in the form of labor & operators. The community has participated well by taking ownership of these projects for maintenance & sustainability through village based water management committees.

In Pariwali field, inhabitant of Ahmadal village were facing major problem of 'Safe Drinking Water Facility' as the available water supply structure was not enough to fulfill their basic need. In order to facilitate the local community of Ahmadal village, POL management constructed underground water storage tank at cost of Rs 3.5 million having capacity of 150,000 gallons. More than 17,000 inhabitants of the local community are utilizing this clean water facility.

Human Resource

POL believes that adoption of effective Human Resource (HR) management and development policies are vital for achieving organizational goals and objectives as HR polices have a measurable impact on the growth of the organization.

POL considers its employees the most valuable asset. The selection procedures and employment policies are geared to attract and retain capable and qualified employees who are willing to contribute their best efforts to accomplish the objectives of the Company.

Our reward structures consider all aspects of salary, incentives and benefits as a total package with the intention of providing competitive levels of remuneration and enhanced earning opportunities in recognition of business success. Compensation and benefits package provided by POL acknowledge high achievers; these packages are market competitive and are revised periodically.

Employees are trained on soft and technical skills to narrow the gap between actual and required performance. Trainings are conducted regularly to provide employees with opportunities to acquire knowledge and develop skills through training and self-development to mutual advantage of the employees and the company.

POL considers it a social responsibility to assist the Universities of the Country in improving its human resources pool, and therefore actively participates in any scheme that trains the professional youth of the Country. For this purpose internships are offered to students from various universities.

Annual Performance Appraisal offers a valuable opportunity to focus on work activities and goals, to identify and correct existing problems, and to encourage better future performance.

Considering the growth needs of current staff, replacement policy defined in POL's Manual clearly defines Replacement / Succession plan. It not only creates a pool of ready replacement / successor for the separated staff but also summarizes the performance and advancement potential of job incumbents and replacement candidates.

Khaur Hospital

The Company is maintaining an end-to-end smart hospital with state of the art medical technologies at Khaur with a mission to provide quality patient care, establish a collaborative working environment and promote informed participation in decisions related to care, quality of life and optimal level of wellness. The hospital provides quality medical care, vital health services and free emergency assistance round the clock.

Presently the hospital is manned by specialists in the field of Medicine, Surgery, Gynecology and Obstetrics,

Pediatrics, Anesthesiology, Family Medicine aided by visiting specialist in field on ENT, Eye, Gastroenterology, Skin and Ultrasonolgy.

The primary care structure comprise of 6 physicians giving round the clock medical coverage to outdoor and indoor patients.

Khaur hospital provides residents greater accessibility to medical expertise and clinical services that typically would not be available in a rural community. The hospital is equipped with state of the art operation theatre, fixed and mobile X-ray machines, sophisticated medical laboratory and latest facilities. The hospital has indoor facilities of 40 beds air conditioned wards and provides services of consultants and specialist doctors. Modern emergency services are provided free of cost to road accident injured persons which helps to save lives. It is the only hospital in the area providing such facilities to the general public.

Other healthcare facilities

Other healthcare facilities provided by the Company at fields are:

- Regular free dispensaries have been organized for the local community of the Pindori and Balkassar area.

- Field hospital / dispensaries at Meyal.
- Annual vaccination program launched in collaboration with district health department.
- POL is running a Poor Patients Fund (Contributed by the Chairman and employees) catering for about 250 plus registered persons providing day to day medical care.

Community Health Program

In addition to facilitating the general public through POL Hospital, medical camps in different areas were also arranged where medical check up's and medicines were distributed free of cost at their door steps.

Occupational health and safety (OH&S)

Safety committee oversees safety, health and wellbeing within the workplace. The committee regularly monitors the effectiveness of OH&S systems, policies and programs to reduce workplace risks and promote safe and healthy working environments and key OH&S issues and performance.

Our primary objectives are to ensure the safety of our people in occupational and operational environments and to ensure safe and knowledgeable use of hazardous materials used during operations.

In addition to regulatory requirements, occupational and research activities at POL are guided by internal policies. Department heads and managers all have the responsibility to develop, implement and maintain all elements of the safety program.

The Company has instituted a safety management system built on comprehensive and structured programs designed to reduce accidents and eliminate injuries at all our locations. The structure of "Emergency Response Teams" is well defined and the required contingency plans have been established which regulate emergency organization, responsibilities, list of key personnel, important telephone numbers, communication plans and sequence of activities to mitigate the situation.

Comparison of workplace accidents, during last three years given below:

Incident	2013	2014	2015
Fatal	00	00	00
Fire	04	06	04
Reportable Incident (Serious Injury)	02	00	02
Reportable Incident (Minor Injury)	02	00	02
Major Environment	00	00	00
First Aid Cases	10	16	06
Near Misses	02	07	05

The Company is gradually improving its occupational health and safety infrastructure in compliance with the regulatory requirements of OSHAS 18001.

Safety

We are committed to providing a safe and healthy work environment and preventing accidents. Employees are accountable for observing the safety and health rules and practices that apply to their jobs. They are expected to take precautions necessary to protect themselves and their co-workers, including immediate reporting of accidents, injuries and unsafe practices or conditions. Employees are also expected to work free from the influence of any substance that could prevent or impair them from performing their jobs safely and effectively.

Procedures and processes are regularly reviewed to ensure that the standards set are linked to industry best practices. Health and safety training is provided to employees to ensure that they perform their work in accordance with the Company's standards and targets. In this respect, in-house training for fire safety, first aid, safe driving and occupational health and safety is carried out regularly.

The Company ensures that employees and where applicable, contractors are aware of potential hazards and of the Company's requirements for healthy, safe and environment friendly working practices. POL issues a monthly Safety bulletin for all employees. These initiatives have helped in the reduction of workplace injuries.

Safety drills are carried out regularly to ensure that the state of preparedness and emergency response times remain within established limits. Safety planning is carried out for each concession area of the Company separately.
Tool box talks and on Field training sessions are conducted by HSE department in each field on regular basis.
Following is the comparison of the trainings given by HSE department in last three years.

Year 2013		Year 2014		Year 2015	
No. of Trainings	No. of Participants	No. of Trainings	No. of Participants	No. of Trainings	No. of Participants
564	5,318	563	5,737	675	8,357

Helping our environment

We are committed to minimize and manage Environmental impacts of our operational activities on our employees, contractors, surrounding neighborhood and earth's resources without affecting ecosystems. Keeping in view of our continual environment friendly activities, POL has been acknowledged and awarded for Environmental awards through National Forum for Environment and Health, ISO 14001:2004 certification for LPG plant site Meyal.

The mitigation measures taken to defy environmental impacts include use of new and alternative technologies, Management and physical controls, up gradation of systems, increased monitoring level of environmental parameters keeping in view environmental receptors, applicable legislative controls and good industrial practices etc.

Following good practices have been followed throughout the year to ensure efficient utilization of resources without any adverse impact on environment.

Completed

- Recertification of PPF plant of OHSAS 18001:2007
- Recertification of LPG plant Meyal of ISO 14001:2004.
- New certification of KCDF, Substation, Tank Farm & Power House of OHSAS 18001:2007.
- Installation of Foam sprinkling system at new KCDF bays as per NFPA-13 & NFPA-16.
- Installation of Foam sprinkling system at Balkassar Triplex pump shed as per NFPA-13 & NFPA-16.
- Winning National Forum for Environment Health.
- Fire Protection Association of Pakistan awards for POL.
- OHSAS 18001:2007 awareness/ risk assessment training sessions by Applus Velosi at KCDF and SCR Rig.
- OHSAS 18001:2007 Internal audit training sessions by Applus Velosi at KCDF and SCR Rig.
- HABC H2S safety training by SBS.
- NEBOSH International training for 03 executives.
- National Institute of Fire Technology training to staff.
- ISO 14001:2004 training session for HSE Engineer Meyal through DAS Islamabad.
- Safe lifting operations training through Inspect test Islamabad.

In Progress.

- Installation of Flame detection systems at LPG Plant Meyal.
- Installation of Flame detection systems at LPG Plant storage area Meyal.
- Installation of Flame detection systems at LPG Plant storage area Pindori.
- Installation of Flame detection systems at LPG storage area POLGAS Dhulian.
- Deluge water sprinkling system at POLGAS Dhulian Filling platform.
- Deluge water sprinkling system at POLGAS Dhulian LPG storage area.
- New certification of POL SCR Rig of OHSAS 18001:2007.

Codes of practice

Company maintains a leadership position in the industry, being one of the first Pakistani Exploration and Production company, we have developed effective policies and procedures over the period of time in all areas of our activities. The Company has codes of practice in place for each of its divisions and where appropriate for businesses within a division.

Corporate Governance

The concept of corporate governance has unquestionably climbed up the corporate agenda. Across the globe we have witnessed a proliferation of regulations, codes, recommendations and principles on the subject. On adopting the current code of corporate governance, the Board determined that the appropriate approach to governance was to adopt a framework that drew on the governance requirements and best practices across the globe.

a) The financial statements, prepared by the management, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

b) Proper books of account of the Company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of the financial statements. Accounting estimates are based on reasonable and prudent judgment.

d) International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of the financial statements.

e) The system of internal control is sound in design and has been effectively implemented and monitored.

f) There are no doubts upon the Company's ability to continue as a going concern.

g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h) Significant deviations from last year's operating results have been disclosed as appropriate in the Directors' Report / Chairman's review and in the notes to the accounts, annexed to this report.

i) The Company does not envisage corporate restructuring or discontinuation of its operations in the foreseeable future.

j) Key operating and financial data of the last six years in summarized form is annexed.

k) All major Government levies in the normal course of business, payable as at June 30, 2015, have been cleared subsequent to the year-end.

l) The values of investments in employee retirement funds based on the latest accounts as of June 30, 2015 are as follows:

Management Staff	
Pension Fund	Rs 961 million
Gratuity Fund	Rs 383 million
Staff Provident Fund	Rs 341 million
General Staff Provident Fund	Rs 366 million

Directors and Board Meetings

During the year the Board of Directors met five times. The number of meetings attended by each director during year is as follows:

	Director	No. of meetings attended
1	Dr. Ghaith R. Pharaon	5*
2	Mr. Laith G. Pharaon	5*
3	Mr. Wael G. Pharaon	5*
4	Mr. Abdus Sattar	5
5	Mr. Nihal Cassim	5
6	Mr. Tariq Iqbal Khan	5
7	Mr. Shuaib A. Malik	5

* Overseas directors attended the meetings either in person or through alternate directors.

Auditors

The auditors, Messer A.F. Ferguson & Co., Chartered Accountants, retire and offer themselves for reappointment.

Shareholding

The pattern of shareholding as at June 30, 2015 is annexed. All trades in the shares of the Company, if any, carried out by the directors, CEO, CFO, Company Secretary, Executives and their spouses and minor children are also annexed.

Holding Company

The Attock Oil Company Limited, incorporated in England, is the holding company of Pakistan Oilfields Limited.

Consolidated Financial Statements

The consolidated accounts of the Company and its subsidiary are annexed.

Acknowledgment

The results for the year could not have been made possible without the loyalty, devotion, hard work and commitment of all employees. The Board of Directors acknowledge and deeply appreciate their contribution towards achievement of the Company's goals.
On behalf of the Board

Shuaib A. Malik
Chairman & Chief Executive

Rawalpindi
August 13, 2015

Shareholders' Information

Pattern of Shareholding

As on June 30, 2015

S.No.	From	To	Shares	Total No. of Shareholders
1	1	100	61,704	1,110
2	101	500	451,362	1,434
3	501	1000	732,499	867
4	1001	5000	3,254,965	1,296
5	5001	10000	2,642,182	350
6	10001	15000	1,819,219	143
7	15001	20000	1,251,147	70
8	20001	25000	1,424,486	63
9	25001	30000	918,094	33
10	30001	35000	861,549	26
11	35001	40000	861,548	23
12	40001	45000	817,960	19
13	45001	50000	1,268,561	26
14	50001	55000	895,846	17
15	55001	60000	407,884	7
16	60001	65000	315,150	5
17	65001	70000	547,539	8
18	70001	75000	803,118	11
19	75001	80000	392,469	5
20	80001	85000	672,636	8
21	85001	90000	527,980	6
22	90001	95000	277,951	3
23	95001	100000	1,186,178	12
24	100001	105000	730,110	7
25	105001	110000	646,250	6
26	110001	115000	562,865	5
27	115001	120000	118,200	1
28	120001	125000	245,760	2
29	125001	130000	516,780	4
30	130001	135000	399,900	3
31	135001	140000	275,300	2
32	140001	145000	142,000	1
33	145001	150000	891,494	6
34	150001	155000	153,500	1
35	155001	160000	943,388	6
36	160001	165000	492,837	3
37	165001	170000	331,445	2
38	170001	175000	350,000	2
39	175001	180000	881,635	5
40	180001	185000	367,637	2
41	185001	190000	374,021	2
42	190001	195000	192,660	1
43	195001	200000	793,541	4
44	200001	205000	202,400	1
45	205001	210000	206,600	1
46	210001	215000	849,644	4
47	215001	220000	216,000	1
48	220001	225000	225,000	1
49	225001	230000	228,169	1
50	230001	235000	234,507	1

Pattern of Shareholding
As on June 30, 2015

S.No.	From	To	Shares	Total No. of Shareholders
51	235001	240000	240,000	1
52	240001	245000	489,800	2
53	245001	250000	741,506	3
54	255001	260000	260,000	1
55	260001	265000	264,384	1
56	275001	280000	1,105,150	4
57	285001	290000	290,000	1
58	295001	300000	897,447	3
59	315001	320000	315,541	1
60	320001	325000	641,800	2
61	325001	330000	326,234	1
62	330001	335000	331,800	1
63	355001	360000	360,000	1
64	375001	380000	757,726	2
65	395001	400000	796,900	2
66	405001	410000	812,407	2
67	415001	420000	832,356	2
68	430001	435000	432,600	1
69	440001	445000	441,000	1
70	475001	480000	476,595	1
71	545001	550000	550,000	1
72	560001	565000	563,485	1
73	590001	595000	591,000	1
74	595001	600000	600,000	1
75	625001	630000	630,000	1
76	650001	655000	655,000	1
77	675001	680000	675,830	1
78	685001	690000	689,960	1
79	700001	705000	1,402,400	2
80	725001	730000	726,500	1
81	760001	765000	760,626	1
82	795001	800000	800,000	1
83	805001	810000	806,750	1
84	895001	900000	900,000	1
85	945001	950000	949,075	1
86	995001	1000000	997,100	1
87	1005001	1010000	1,005,050	1
88	1130001	1135000	1,130,900	1
89	1305001	1310000	1,306,700	1
90	1495001	1500000	1,497,004	1
91	1615001	1620000	1,615,700	1
92	1710001	1715000	1,714,300	1
93	1860001	1865000	1,862,422	1
94	2055001	2060000	2,055,397	1
95	2365001	2370000	2,365,459	1
96	2640001	2645000	2,641,785	1
97	2735001	2740000	2,739,160	1
98	9,105,001	9110000	9,106,350	1
99	12,230,001	12235000	12,233,054	1
100	13420001	13425000	13,421,032	1
101	124775001	124780000	124,776,965	1
	Total		**236,545,920**	**5,682**

Categories of Shareholders
As at June 30, 2015

Categories of Shareholders	No. of Shareholders	No. of Sharesheld	Percentage %
Investment Corporation of Pakistan	1	97	0.00
Banks & Financial Institutions	67	39,245,026	16.59
Associated Companies	2	125,041,349	52.86
Public Sectors Companies	120	3,223,962	1.36
Modaraba Companies	3	14,360	0.01
Mutual Funds *	59	11,242,093	4.75
Investment Companies	20	3,331,653	1.41
Insurance Companies	22	17,840,422	7.54
Individuals	5,230	28,611,389	12.10
Others:			
Employees Old Age Benefits Institution	1	2,739,160	1.16
Deputy Administrator Abandoned Properties	1	10,900	0.00
Employees Pension / Provident Fund	111	2,820,320	1.19
Charitable Trusts & Foundation	45	2,425,189	1.03
TOTAL	**5,682**	**236,545,920**	**100.00**

Detail of Mutual Funds
As at June 30, 2015

S.No.	Detail of Mutual Funds	No. of Shares Held
1	STICHTING SHELL PENSIOENFONDS	315,541
2	THE NOMURA TRUST AND BANKING CO., LTD.	10,100
3	KAPITALFORENINGEN LAERERNES PENSION INVEST	25,000
4	INTEREFFEKT INVESTMENT FUNDS N.V.	107,000
5	BMA FUNDS LIMITED	50,000
6	NATIONWIDE BAILARD EMERGING MARKETS EQUITY FD	150,000
7	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	997,100
8	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	94,800
9	CDC - TRUSTEE PAKISTAN STRATEGIC ALLOCATION FUND	65,603
10	CDC - TRUSTEE ATLAS STOCK MARKET FUND	299,900
11	CDC - TRUSTEE MEEZAN BALANCED FUND	186,725
12	CDC - TRUSTEE JS AGGRESSIVE ASSET ALLOCATION FUND	25,000
13	CDC - TRUSTEE AKD INDEX TRACKER FUND	23,344
14	CDC - TRUSTEE PICIC ENERGY FUND	165,845
15	CDC-TRUSTEE PAK. INT. ELEMENT ISLAMIC ASSET ALLOCATION FUND	133,700
16	MC FSL - TRUSTEE JS KSE-30 INDEX FUND	4,149
17	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	195,491
18	CDC - TRUSTEE MEEZAN ISLAMIC FUND	2,055,397
19	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	247,000
20	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	25,000
21	CDC - TRUSTEE NAFA STOCK FUND	248,130
22	CDC - TRUSTEE NAFA MULTI ASSET FUND	71,669
23	CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	50,630
24	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND	50,550
25	CDC - TRUSTEE APF-EQUITY SUB FUND	35,000
26	CDC - TRUSTEE HBL - STOCK FUND	320,700
27	CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	104,660
28	CDC - TRUSTEE APIF - EQUITY SUB FUND	56,000
29	CDC - TRUSTEE HBL MULTI - ASSET FUND	43,900
30	CDC - TRUSTEE KASB ASSET ALLOCATION FUND	34,250
31	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	155,700
32	CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY ACCOUNT	16,600
33	CDC - TRUSTEE ALFALAH GHP STOCK FUND	6,000
34	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	17,000
35	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	689,960
36	CDC - TRUSTEE ABL STOCK FUND	321,100
37	M C F S L-TRUSTEE ASKARI ISLAMIC ASSET ALLOCATION FUND	31,060
38	CDC - TRUSTEE FIRST HABIB STOCK FUND	10,069
39	CDC - TRUSTEE LAKSON EQUITY FUND	416,100

Detail of Mutual Funds
As at June 30, 2015

S.No.	Detail of Mutual Funds	No. of Shares Held
40	CDC - TRUSTEE CROSBY DRAGON FUND	20,698
41	CDC-TRUSTEE NAFA ASSET ALLOCATION FUND	106,850
42	CDC-TRUSTEE HBL ISLAMIC STOCK FUND	111,000
43	CDC - TRUSTEE PICIC STOCK FUND	20,000
44	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	11,000
45	CDC - TRUSTEE HBL PF EQUITY SUB FUND	10,000
46	CDC - TRUSTEE KSE MEEZAN INDEX FUND	157,964
47	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	379,600
48	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	13,700
49	CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I	87,400
50	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,862,422
51	CDC - TRUSTEE PICIC ISLAMIC STOCK FUND	23,000
52	CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II	136,500
53	CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	9,600
54	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	6,700
55	CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	118,200
56	CDC - TRUSTEE PAKISTAN SARMAYA MEHFOOZ FUND	40,000
57	CDC - TRUSTEE HBL MUSTAHEKUM SARMAYA FUND 1	16,000
58	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	244,800
59	MERCANTILE CO-OPERATIVE	10,886
	TOTAL	**11,242,093**

Key Shareholding and Shares Traded

Categories		Number of Shareholders	Number of Shares held
	Associated Companies		
1	The Attock Oil Company Limited.	01	124,776,965
2	Laith Trading & Contracting Company Ltd.	01	264,384
	NIT & ICP		
	Investment Corporation of Pakistan (ICP)	01	97
	Directors and their spouses and minor children		
1	Dr. Ghaith R. Pharaon	01	*200
2	Mr. Laith G. Pharaon	01	*200
3	Mr. Wael G. Pharaon	01	*200
4	Mr. Abdus Sattar	01	*200
5	Mr. Tariq Iqbal Khan	01	*1,700
6	Mr. Iqbal Ahmad Khwaja (Alternate Director to Mr. Laith G. Pharaon)	01	10,338
7	Mr. Nihal Cassim	01	37,200
8	Mr. Shuaib A. Malik (Chairman & Chief Executive)	01	2,365,743
	Executives	30	3,536
	Public sector companies and corporations	121	128,000,927
	Banks, Development Finance Institution, Non Banking Finance Institutions, Insurance Companies, Modarabas & Mutual Funds	171	71,673,554
	Shareholders holding 05% or more voting interest		
**	The Attock Oil Company Limited	01	124,776,965
	State Life Insurance Corp. of Pakistan	01	13,421,032

No trade in has been made in Shares of the Company by Directors, CEO, CFO, Company Secretary, Executives and their spouses and minor children except for shares mentioned below:

Mr. Tariq Iqbal Khan (Director)	1,500

* 200 shares shown against the name of each director are held in trust

** also shown under associated companies and public sector companies

Six Years at a Glance

Description	2010	2011	2012	2013	2014	2015
			(Rupees in million unless otherwise stated)			
PROFIT & LOSS SUMMARY						
Net sales						
Crude oil	8,238	11,804	14,396	15,390	21,451	16,266
Gas	5,587	8,166	8,804	8,157	8,945	7,760
POLGAS-Refill of cylinders	3,784	4,745	5,140	5,054	4,831	6,654
LPG	1	-	-	-	-	-
Solvent oil	224	212	220	245	273	189
Sulphur	11	24	64	32	40	12
Total Net Sales	17,845	24,951	28,624	28,878	35,540	30,881
Cost of sales	6,959	9,324	11,118	12,616	16,531	14,614
Gross profit	10,886	15,627	17,506	16,262	19,009	16,267
Exploration costs	1,606	1,075	593	1,793	1,710	4,729
Administration expenses	73	83	99	93	122	140
Finance costs	284	224	685	830	654	987
Other charges	709	1,104	1,288	949	1,140	485
Other income	1,377	1,809	2,547	1,954	1,823	1,563
Profit before taxation	9,591	14,950	17,388	14,551	17,206	11,489
Provision for taxation	2,154	4,135	5,529	3,723	4,319	3,030
Profit for the year	7,437	10,815	11,859	10,828	12,887	8,459
Earnings before interest, taxes, depreciation and amortization (EBITDA)	11,227	16,674	19,827	17,282	23,351	15,789
Dividends	6,032	8,279	12,419	10,645	12,419	9,462
BALANCE SHEET SUMMARY						
Paid-up capital	2,365	2,365	2,365	2,365	2,365	2,365
Reserves	1,779	1,767	1,817	1,759	1,760	1,760
Unappropriated profit	24,981	29,156	30,972	28,824	31,071	28,239
Deferred liabilities	6,398	7,650	10,448	12,234	13,701	13,819
Long term deposits	467	487	504	518	638	725
Current liabilities	3,332	5,551	6,145	7,939	8,334	8,536
Fixed assets (less depreciation)	4,095	4,258	4,164	7,801	9,306	10,489
Development & decommissioning costs	10,476	10,568	15,688	16,610	13,161	12,412
Exploration & evaluation assets	2,705	4,811	2,883	2,979	4,667	2,661
Long term investment	9,754	9,686	10,275	9,621	9,621	9,622
Other long term assets	13	20	16	16	16	15
Curent assets	12,279	17,633	19,225	16,612	21,098	20,245
CASH FLOWS						
Operating activities	9,297	12,427	15,268	12,559	18,248	13,035
Investing activities	(2,770)	(2,318)	(3,004)	(5,202)	(4,276)	(2,172)
Financing activities	(4,248)	(6,496)	(10,022)	(12,995)	(10,624)	(11,240)
Exchange rate effect	92	2	407	306	229	165
Cash and cash equivalents at year end	6,317	9,932	12,581	7,249	10,826	10,614
Free Cash Flows	5,654	8,669	11,130	5,573	12,849	9,996

Six Years at a Glance

Description		2010	2011	2012	2013	2014	2015
KEY FINANCIAL RATIOS							
Profitability Ratios							
Gross profit	%	61.00	62.63	61.16	56.31	53.49	52.68
Net profit	%	41.68	43.34	41.43	37.50	36.26	27.39
EBITDA margin to sales	%	62.92	66.83	69.27	59.84	65.70	51.13
Operating leverage	Time	1.24	1.40	1.17	0.78	0.91	0.67
Return on equity	%	25.53	32.49	33.73	32.86	36.61	26.14
Return on average capital employed	%	27.01	34.66	34.65	31.80	37.82	25.04
Liquidity Ratios							
Current ratio	Time	3.69	3.18	3.13	2.09	2.53	2.37
Quick ratio	Time	2.83	2.66	2.61	1.61	2.04	1.84
Cash to current liabilities	Time	1.90	1.79	2.05	0.91	1.30	1.24
Cash flow from operations to sales	%	52.10	49.81	53.34	43.49	51.34	42.21
Activity / Turnover Ratios							
Inventory turnover[1]	Time	-	-	-	-	-	-
Inventory turnover[1]	Days	-	-	-	-	-	-
Debtors turnover	Time	8.09	7.20	7.79	7.33	7.13	7.21
Average collection period	Days	45.12	50.69	46.85	49.80	51.19	50.62
Creditors turnover[1]	Time	-	-	-	-	-	-
Average payment period[1]	Days	-	-	-	-	-	-
Total assets turnover	Time	0.48	0.58	0.58	0.55	0.64	0.55
Fixed assets turnover	Time	1.10	1.35	1.35	1.15	1.30	1.17
Operating cycle[1]	Time	-	-	-	-	-	-
Investment / Market Ratios							
Earnings per share - basic[2]	Rs	31.44	45.72	50.13	45.78	54.48	35.76
Earnings per share - restated[3]	Rs	31.44	45.72	50.13	45.78	54.48	35.76
Price earning ratio	Times	6.87	7.85	7.32	10.87	10.54	11.29
Cash dividend yield	%	14.10	12.18	14.46	10.41	9.80	8.18
Cash dividend payout	%	81.11	76.55	104.72	98.31	96.37	111.86
Cash dividend cover	%	123.29	130.63	95.49	101.72	103.77	89.40
Cash dividend per share	Rs	25.50	35.00	52.50	45.00	52.50	40.00
Bonus shares	%	-	-	-	-	-	-
Market value / share at year end	Rs	215.90	359.01	366.94	497.37	574.30	403.82
Market value/share-high during the year	Rs	254.00	370.75	399.99	530.00	580.00	602.99
Market value/share-low during the year	Rs	146.15	209.99	325.25	368.99	425.00	305.57
Market value/share-average during the year	Rs	216.51	286.27	364.32	445.55	510.22	440.76
Break-up value (Net assets/shares)	Rs	123.13	140.73	148.61	139.29	148.79	136.82
Capital Structure Ratios							
Financial leverage ratio[4]	%	-	-	-	-	-	-
Weighted average cost of debt[4]	%	-	-	-	-	-	-
Debt: equity ratio[4]	%	-	-	-	-	-	-
Interest cover	Time	-	-	-	-	-	-
OTHER INFORMATION							
Contributuin to national exchequer (Rs millions)		5,399	9,344	11,345	9,145	11,192	9,348
Foreign exchange savings(US $ million)		410	572	708	593	650	598
Market Capitalization (Rs millions)		51,070	84,922	86,798	117,651	135,848	95,522
No. of Shareholders		5,508	4,586	4,700	4,190	4,086	5,682

Notes:

1- Not applicable in view of the nature of the company's business.

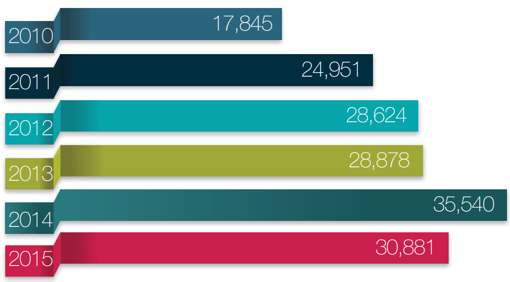
2- Calculated on shares outstanding as at June 30, of each year

3- Calculated on shares outstanding as at June 30, 2015

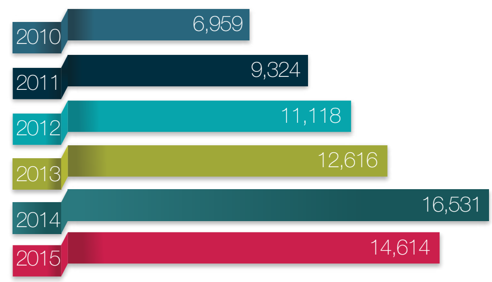
4- Not applicable as the company does not have debt.

Six Years at a Glance - Infographics

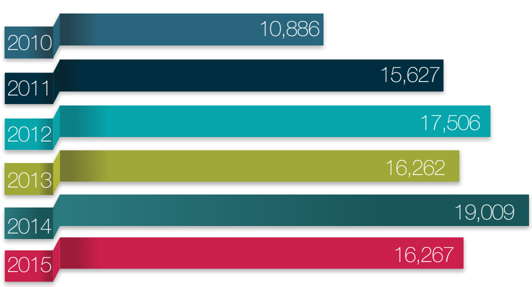
Net Sales
(Rs in million)



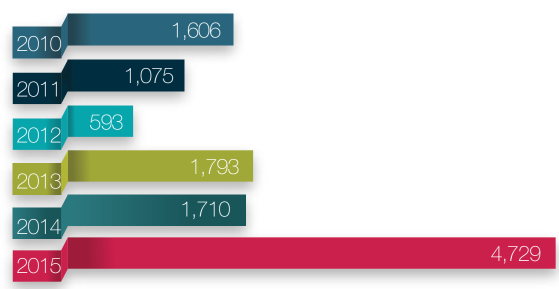
Cost of Sales
(Rs in million)



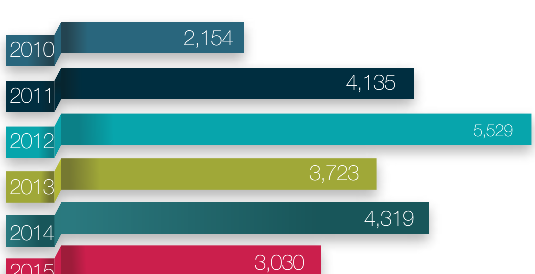
Gross profit
(Rs in million)



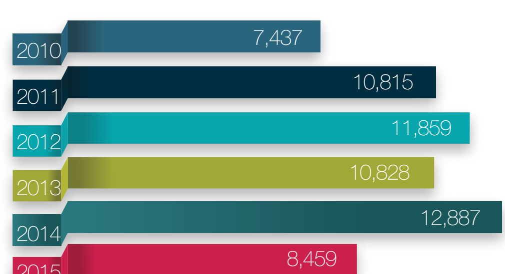
Exploration Costs
(Rs in million)



Taxation
(Rs in million)

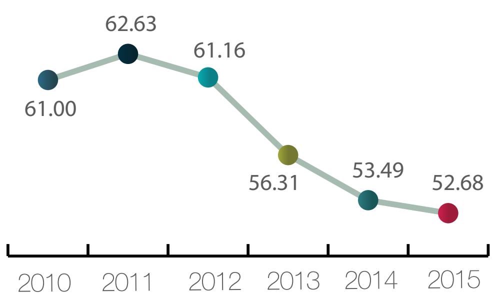


Profit after tax
(Rs in million)

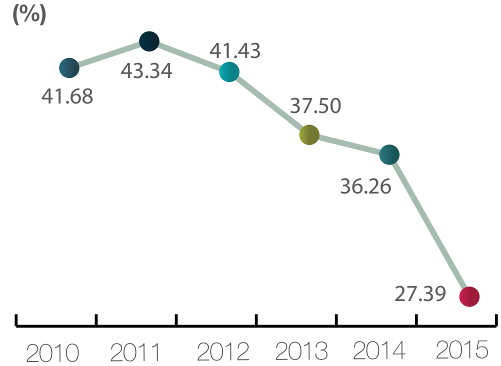


Six Years at a Glance - Infographics

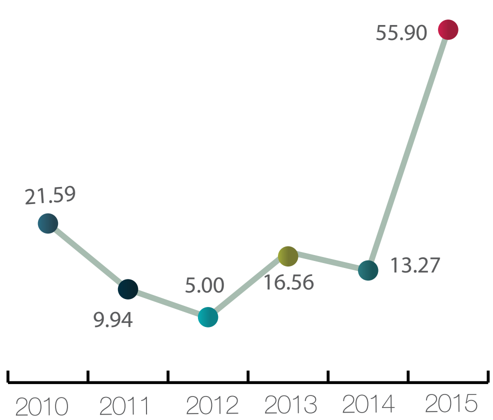
Gross profit margin
(%)



Net profit margin
(%)

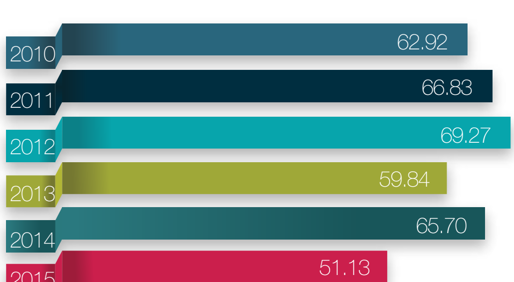


Exploration Cost as % of Profits
(%)

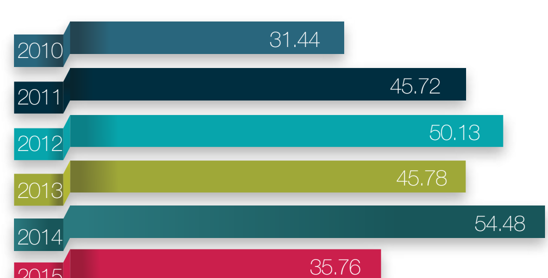


Return on capital employed
(%)

EBITDA margin to sales
(%)

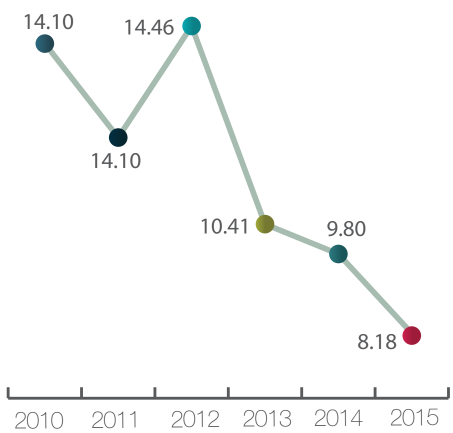


Earnings per share
(Rs)



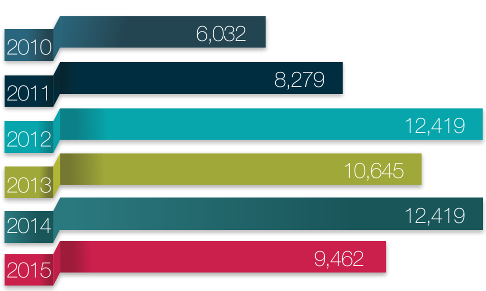
Six Years at a Glance - Infographics

Cash dividend yield
(%)

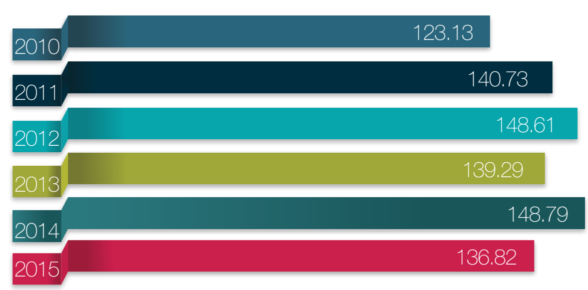


Cash dividend payout
(%)

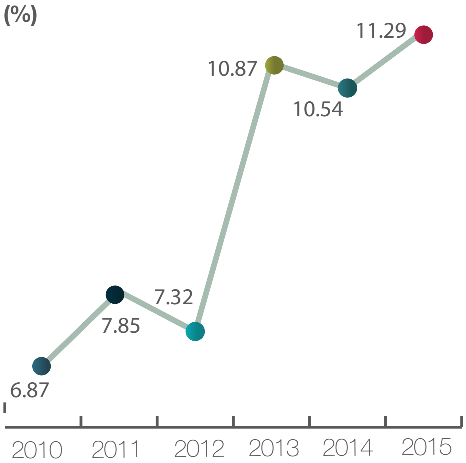
Cash dividend payout
(Rs in million)



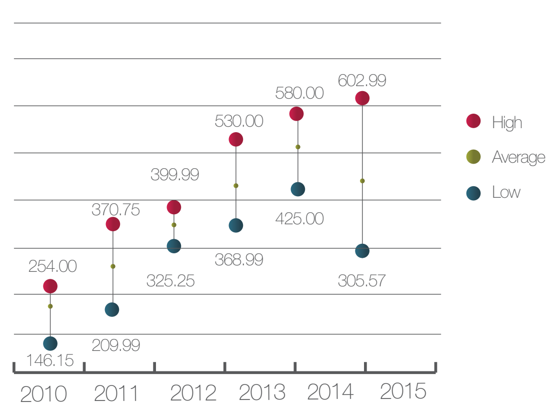
Break-up value per share
(Rs)



Price earnings ratio
(%)

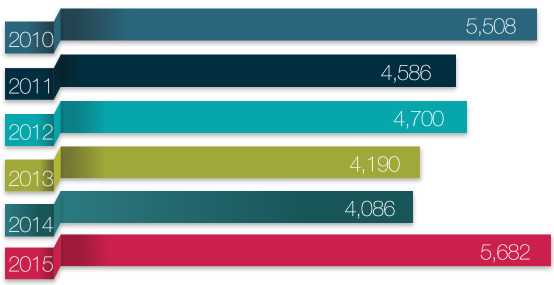


Market value per share (High-Low
(Rs)

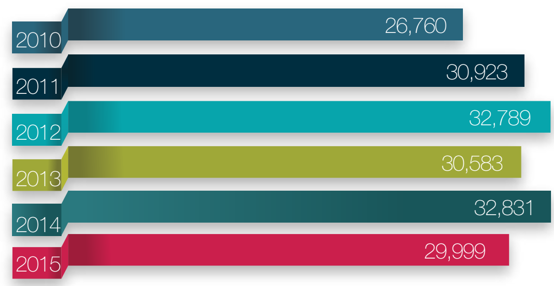


Six Years at a Glance - Infographics

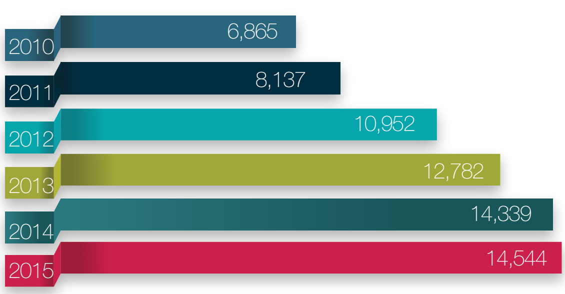
No. of shareholders



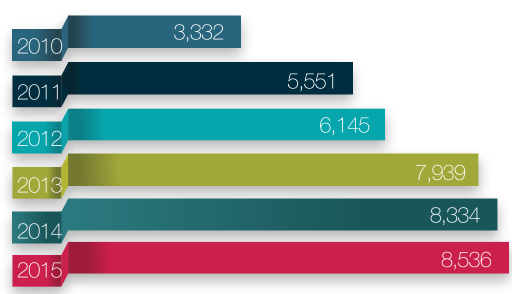
Reserves
(Rs in million)



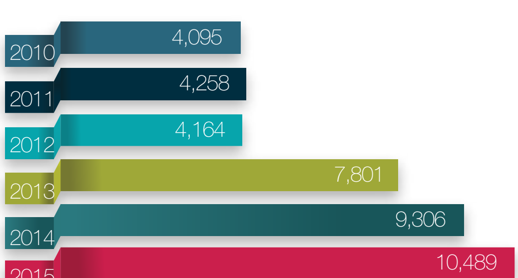
Long term liabilities
(Rs in million)



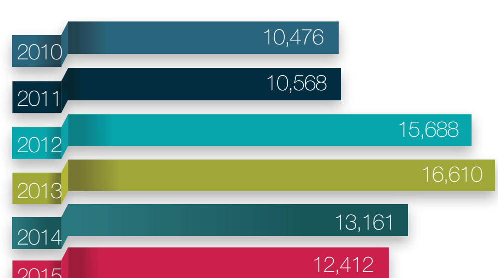
Current liabilities
(Rs in million)



Fixed assets less depreciation
(Rs in million)

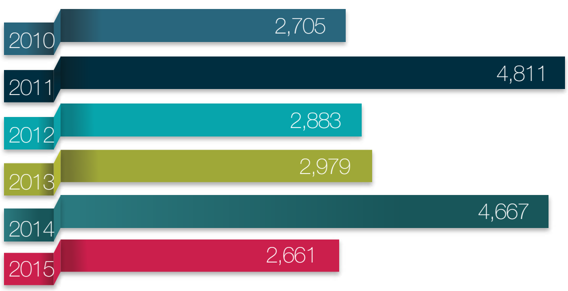


Development & decommissioning costs
(Rs in million)

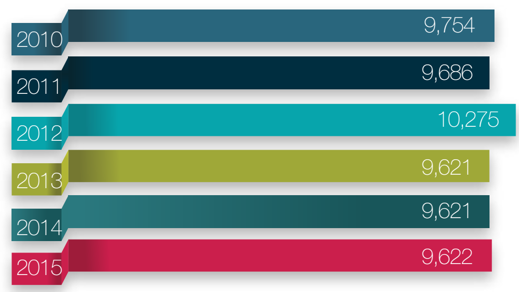


Six Years at a Glance - Infographics

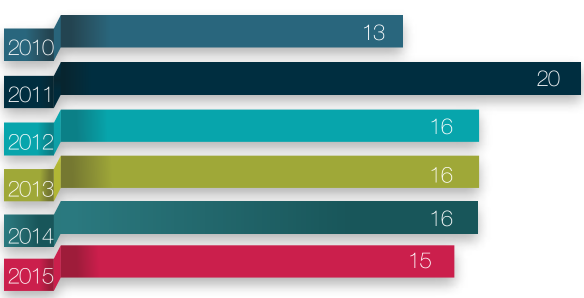
Exploration & evaluation assets
(Rs in million)



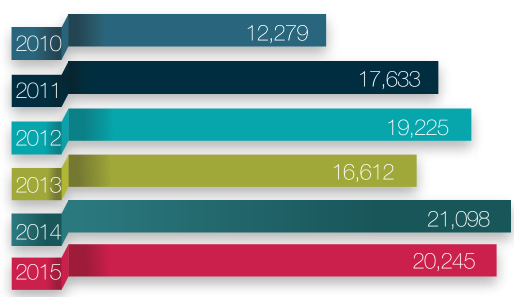
Long term investments
(Rs in million)



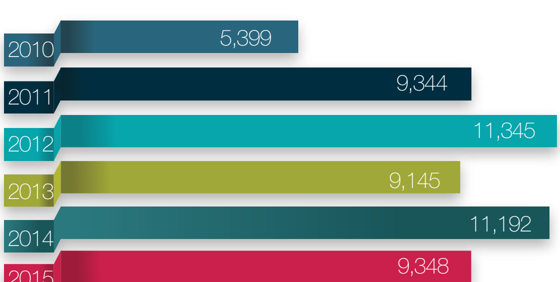
Other long term assets
(Rs in million)



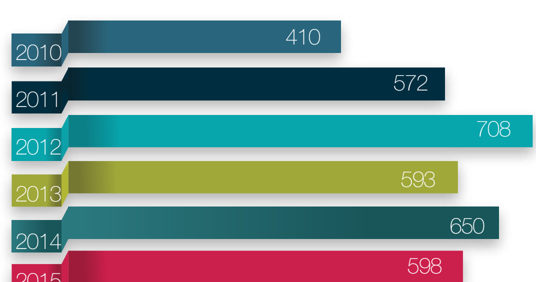
Current assets
(Rs in million)



Contribution to exchequer
(Rs in million)



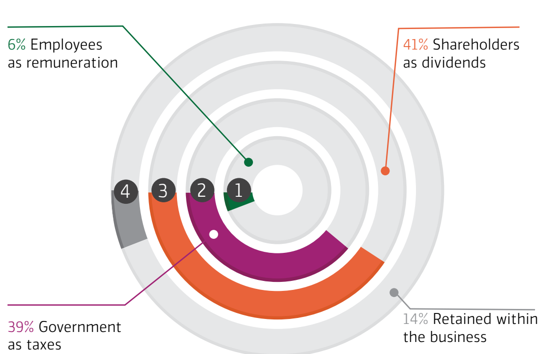
Foreign exchange savings
(US$ million)



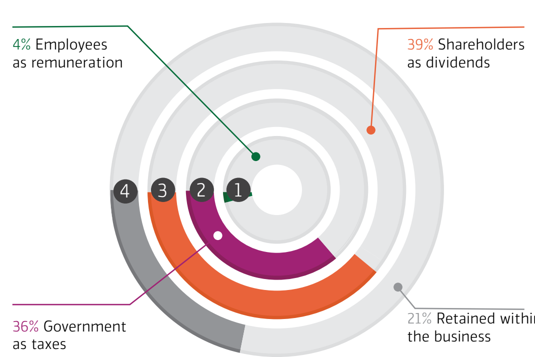
Statement of Value Added

	2015	2014
	Rupees ('000)	
Gross revenue	33,295,474	37,857,154
Less: Operating and exploration expenses	12,029,483	8,060,826
	21,265,991	29,796,328
Add: Income from investments	819,401	1,081,001
Other income	760,985	758,347
Total value added	22,846,377	31,635,676
Distributed as follows:		
Employees remuneration	1,297,121	1,105,872
Government as:		
Company taxation	3,030,618	4,319,415
Levies	2,414,358	2,317,453
Excise duty & development surcharge	250,646	281,912
Royalty	2,609,939	3,438,680
Workers' funds	485,572	1,140,355
	8,791,133	11,497,815
Shareholders as:		
Dividend	9,461,837	12,418,661
Retained in business:		
Depreciation	1,272,174	943,772
Amortization	3,027,074	5,200,823
Net earnings	(1,002,962)	468,733
	3,296,286	6,613,328
	22,846,377	31,635,676

Distribution of Value Addition: 2015



Distribution of Value Addition: 2014



Vertical Analysis

	2010		2011		2012		2013		2014		2015	
	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%
BALANCE SHEET												
SHARE CAPITAL AND RESERVES												
Authorised capital	5,000		5,000		5,000		5,000		5,000		5,000	
Issued, subscribed and paid-up capital	2,365	6.01%	2,365	5.03%	2,365	4.53%	2,365	4.41%	2,365	4.09%	2,365	4.27%
Revenue reserves												
Insurance reserve	200	0.51%	200	0.43%	200	0.38%	200	0.37%	200	0.35%	200	0.36%
Investment reserve	1,558	3.96%	1,558	3.32%	1,558	2.98%	1,558	2.90%	1,558	2.69%	1,558	2.81%
Unappropriated profit	24,981	63.53%	29,156	62.07%	30,972	59.28%	28,824	53.74%	31,071	53.69%	28,239	50.93%
	26,739	68.00%	30,914	65.81%	32,730	62.64%	30,582	57.01%	32,829	56.73%	29,997	54.10%
Fair value gain on available-for-sale investments	21	0.05%	9	0.02%	59	0.11%	1	0.00%	2	0.00%	2	0.00%
	29,125	74.07%	33,288	70.86%	35,154	67.28%	32,948	61.43%	35,196	60.82%	32,364	58.37%
NON CURRENT LIABILITIES												
Long term deposits	467	1.19%	487	1.04%	504	0.96%	518	0.97%	638	1.10%	725	1.31%
Deferred liabilities	6,398	16.27%	7,650	16.28%	10,448	20.00%	12,234	22.81%	13,701	23.68%	13,819	24.92%
	6,865	17.46%	8,137	17.32%	10,952	20.96%	12,752	23.77%	14,339	24.78%	14,544	26.23%
CURRENT LIABILITIES AND PROVISIONS												
Trade and other payables	2,287	5.82%	4,171	8.88%	4,538	8.69%	6,293	11.73%	5,782	9.99%	4,876	8.79%
Provision for income tax	1,045	2.66%	1,380	2.94%	1,607	3.08%	1,646	3.07%	2,552	4.41%	3,660	6.60%
	3,332	8.47%	5,551	11.82%	6,145	11.76%	7,939	14.80%	8,334	14.40%	8,536	15.40%
TOTAL EQUITY AND LIABILITIES	39,322	100.00%	46,976	100.00%	52,251	100.00%	53,639	100.00%	57,869	100.00%	55,444	100.00%
FIXED ASSETS												
Property, plant and equipment	4,095	10.41%	4,258	9.06%	4,164	7.97%	7,801	14.54%	9,306	16.08%	10,489	18.92%
Development & decommissioning costs	10,476	26.64%	10,568	22.50%	15,688	30.02%	16,610	30.97%	13,161	22.74%	12,412	22.39%
Exploration & evaluation assets	2,705	6.88%	4,811	10.24%	2,883	5.52%	2,979	5.55%	4,667	8.06%	2,661	4.80%
	17,276	43.93%	19,637	41.80%	22,735	43.51%	27,390	51.06%	27,134	46.89%	25,562	46.10%
LONG TERM INVESTMENT IN SUBSIDIARY & ASSOCIATED COMPANIES	9,616	24.45%	9,616	20.47%	9,616	18.40%	9,616	17.93%	9,616	16.62%	9,616	17.34%
OTHER LONG TERM INVESTMENTS	138	0.35%	70	0.15%	659	1.26%	5	0.01%	5	0.01%	6	0.01%
LONG TERM LOANS AND ADVANCES	13	0.03%	20	0.04%	16	0.03%	16	0.03%	16	0.03%	15	0.03%
CURRENT ASSETS												
Stores and spares	2,641	6.72%	2,632	5.60%	2,939	5.62%	3,525	6.57%	3,663	6.33%	4,276	7.71%
Stock in trade	87	0.22%	126	0.27%	134	0.26%	151	0.28%	264	0.46%	148	0.27%
Trade debts	2,584	6.57%	4,343	9.25%	3,007	5.75%	4,871	9.08%	5,094	8.80%	3,477	6.27%
Advances, deposits, prepayments and other receivables	650	1.65%	600	1.28%	513	0.98%	816	1.52%	1,251	2.16%	1,730	3.12%
Short term investments	2,277	5.79%	3,227	6.87%	3,899	7.46%	-	0.00%	-	0.00%	-	0.00%
Cash and bank balances	4,040	10.27%	6,705	14.27%	8,733	16.71%	7,249	13.51%	10,826	18.71%	10,614	19.14%
	12,279	31.23%	17,633	37.54%	19,225	36.79%	16,612	30.97%	21,098	36.46%	20,245	36.51%
TOTAL ASSETS	39,322	100.00%	46,976	100.00%	52,251	100.00%	53,639	100.00%	57,869	100.00%	55,444	100.00%

Vertical Analysis

	2010		2011		2012		2013		2014		2015	
	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%
PROFIT & LOSS ACCOUNT												
Net Sales	17,845	100.00%	24,951	100.00%	28,624	100.00%	28,878	100.00%	35,540	100.00%	30,881	100.00%
Cost of Sales	6,959	39.00%	9,324	37.37%	11,118	38.84%	12,616	43.69%	16,531	46.51%	14,614	47.32%
Gross profit	10,886	61.00%	15,627	62.63%	17,506	61.16%	16,262	56.31%	19,009	53.49%	16,267	52.68%
Exploration costs	1,606	9.00%	1,075	4.31%	593	2.07%	1,793	6.21%	1,710	4.81%	4,729	15.31%
	9,280	52.00%	14,552	58.32%	16,913	59.09%	14,469	50.10%	17,299	48.67%	11,538	37.36%
Administration expenses	73	0.41%	83	0.33%	99	0.35%	93	0.32%	122	0.34%	140	0.45%
Finance costs	284	1.59%	224	0.90%	685	2.39%	830	2.87%	654	1.84%	987	3.20%
Other charges	709	3.97%	1,104	4.42%	1,288	4.50%	949	3.29%	1,140	3.21%	485	1.57%
	1,066	5.97%	1,411	5.66%	2,072	7.24%	1,872	6.48%	1,916	5.39%	1,612	5.22%
	8,214	46.03%	13,141	52.67%	14,841	51.85%	12,597	43.62%	15,383	43.28%	9,926	32.14%
Other income	1,377	7.72%	1,809	7.25%	2,547	8.90%	1,954	6.77%	1,823	5.13%	1,563	5.06%
PROFIT BEFORE TAXATION	9,591	53.75%	14,950	59.92%	17,388	60.75%	14,551	50.39%	17,206	48.41%	11,489	37.20%
Provision for taxation	2,154	12.07%	4,135	16.57%	5,529	19.32%	3,723	12.89%	4,319	12.15%	3,030	9.81%
PROFIT FOR THE YEAR	7,437	41.68%	10,815	43.34%	11,859	41.43%	10,828	37.50%	12,887	36.26%	8,459	27.39%
CASH FLOWS												
Operating activities	9,297	147.17%	12,427	125.12%	15,268	121.36%	12,559	173.25%	18,248	168.56%	13,035	122.81%
Investing activities	(2,770)	-43.85%	(2,318)	-23.34%	(3,004)	-23.88%	(5,202)	-71.76%	(4,276)	-39.50%	(2,172)	-20.46%
Financing activities	(4,248)	-67.25%	(6,496)	-65.40%	(10,022)	-79.66%	(12,995)	-179.27%	(10,624)	-98.13%	(11,240)	-105.90%
Effect of Exchange rate changes	92	1.46%	2	0.02%	407	3.24%	306	4.22%	229	2.12%	165	1.55%
Cash and cash equivalents at year end	6,317	100.00%	9,932	100.00%	12,581	100.00%	7,249	100.00%	10,826	100.00%	10,614	100.00%

Horizontal Analysis

	2010		2011		2012		2013		2014		2015	
	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%
BALANCE SHEET												
Share Capital and Reserves												
Authorised capital	5,000	100.00%	5,000	100.00%	5,000	100.00%	5,000	100.00%	5,000	100.00%	5,000	100.00%
Issued, subscribed and paid-up capital	2,365	100.00%	2,365	100.00%	2,365	100.00%	2,365	100.00%	2,365	100.00%	2,365	100.00%
Revenue reserves												
Insurance reserve	200	100.00%	200	100.00%	200	100.00%	200	100.00%	200	100.00%	200	100.00%
Investment reserve	1,558	100.00%	1,558	100.00%	1,558	100.00%	1,558	100.00%	1,558	100.00%	1,558	100.00%
Unappropriated profit	24,981	100.00%	29,156	116.71%	30,972	123.98%	28,824	115.38%	31,071	124.38%	28,239	113.04%
	26,739	100.00%	30,914	115.61%	32,730	122.41%	30,582	114.37%	32,829	122.78%	29,997	112.18%
Fair value gain on available for-sale investments	21	100.00%	9	42.86%	59	280.95%	1	4.76%	2	9.52%	2	9.52%
	29,125	100.00%	33,288	114.29%	35,154	120.70%	32,948	113.13%	35,196	120.84%	32,364	111.12%
NON CURRENT LIABILITIES												
Long term deposits	467	100.00%	487	104.28%	504	107.92%	518	110.92%	638	136.62%	725	155.25%
Deferred liabilities	6,398	100.00%	7,650	119.57%	10,448	163.30%	12,234	191.22%	13,701	214.15%	13,819	215.99%
	6,865	100.00%	8,137	118.53%	10,952	159.53%	12,752	185.75%	14,339	208.87%	14,544	211.86%
CURRENT LIABILITIES AND PROVISIONS												
Trade and other payables	2,287	100.00%	4,171	182.38%	4,538	198.43%	6,293	275.16%	5,782	252.82%	4,876	213.21%
Provision for income tax	1,045	100.00%	1,380	132.06%	1,607	153.78%	1,646	157.51%	2,552	244.21%	3,660	350.24%
	3,332	100.00%	5,551	166.60%	6,145	184.42%	7,939	238.27%	8,334	250.12%	8,536	256.18%
CONTINGENCIES AND COMMITMENTS												
TOTAL EQUITY AND LIABILITIES	39,322	100.00%	46,976	119.46%	52,251	132.88%	53,639	136.41%	57,869	147.17%	55,444	141.00%
FIXED ASSETS												
Property, plant and equipment	4,095	100.00%	4,258	103.98%	4,164	101.68%	7,801	190.50%	9,306	227.25%	10,489	256.14%
Development & decommissioning costs	10,476	100.00%	10,568	100.88%	15,688	149.75%	16,610	158.55%	13,161	125.63%	12,412	118.48%
Exploration & evaluation assets	2,705	100.00%	4,811	177.86%	2,883	106.58%	2,979	110.13%	4,667	172.53%	2,661	98.37%
	17,276	100.00%	19,637	113.67%	22,735	131.60%	27,390	158.54%	27,134	157.06%	25,562	147.96%
LONG TERM INVESTMENT IN SUBSIDIARY & ASSOCIATED COMPANIES	9,616	100.00%	9,616	100.00%	9,616	100.00%	9,616	100.00%	9,616	100.00%	9,616	100.00%
OTHER LONG TERM INVESTMENTS	138	100.00%	70	50.72%	659	477.54%	5	3.62%	5	3.62%	6	4.35%
LONG TERM LOANS AND ADVANCES	13	100.00%	20	153.85%	16	123.08%	16	123.08%	16	123.08%	15	115.38%
CURRENT ASSETS												
Stores and spares	2,641	100.00%	2,632	99.66%	2,939	111.28%	3,525	133.47%	3,663	138.70%	4,276	161.91%
Stock in trade	87	100.00%	126	144.83%	134	154.02%	151	173.56%	264	303.45%	148	170.11%
Trade debts	2,584	100.00%	4,343	168.07%	3,007	116.37%	4,871	188.51%	5,094	197.14%	3,477	134.56%
Advances, deposits, prepayments and other receivables	650	100.00%	600	92.31%	513	78.92%	816	125.54%	1,251	192.46%	1,730	266.15%
Short term investments	2,277		3,227		3,899		-		-		-	
Cash and bank balances	4,040	100.00%	6,705	165.97%	8,733	216.16%	7,249	179.43%	10,826	267.97%	10,614	262.72%
	12,279	100.00%	17,633	143.60%	19,225	156.57%	16,612	135.29%	21,098	171.82%	20,245	164.87%
TOTAL ASSETS	39,322	100.00%	46,976	119.46%	52,251	132.88%	53,639	136.41%	57,869	147.17%	55,444	141.00%

Horizontal Analysis

	2010		2011		2012		2013		2014		2015	
	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%	(Rs in million)	%
PROFIT & LOSS ACCOUNT												
Net Sales	17,845	100.00%	24,951	139.82%	28,624	160.40%	28,878	161.83%	35,540	199.16%	30,881	173.05%
Cost of Sales	6,959	100.00%	9,324	133.98%	11,118	159.76%	12,616	181.29%	16,531	237.55%	14,614	210.00%
Gross profit	10,886	100.00%	15,627	143.55%	17,506	160.81%	16,262	149.38%	19,009	174.62%	16,267	149.43%
Exploration costs	1,606	100.00%	1,075	66.94%	593	36.92%	1,793	111.64%	1,710	106.48%	4,729	294.46%
	9,280	100.00%	14,552	156.81%	16,913	182.25%	14,469	155.92%	17,299	186.41%	11,538	124.33%
Administration expenses	73	100.00%	83	113.70%	99	135.62%	93	127.40%	122	167.12%	140	191.78%
Finance costs	284	100.00%	224	78.87%	685	241.20%	830	292.25%	654	230.28%	987	347.54%
Other charges	709	100.00%	1,104	155.71%	1,288	181.66%	949	133.85%	1,140	160.79%	485	68.41%
	1,066	100.00%	1,411	132.36%	2,072	194.37%	1,872	175.61%	1,916	179.74%	1,612	151.22%
	8,214	100.00%	13,141	159.98%	14,841	180.68%	12,597	153.36%	15,383	187.28%	9,926	120.84%
Other income	1,377	100.00%	1,809	131.37%	2,547	184.97%	1,954	141.90%	1,823	132.39%	1,563	113.51%
PROFIT BEFORE TAXATION	9,591	100.00%	14,950	155.88%	17,388	181.29%	14,551	151.72%	17,206	179.40%	11,489	119.79%
Provision for taxation	2,154	100.00%	4,135	191.97%	5,529	256.69%	3,723	172.84%	4,319	200.51%	3,030	140.67%
PROFIT FOR THE YEAR	7,437	100.00%	10,815	145.42%	11,859	159.46%	10,828	145.60%	12,887	173.28%	8,459	113.74%
CASH FLOWS												
Operating activities	9,297	100.00%	12,427	133.67%	15,268	164.23%	12,559	135.09%	18,248	196.28%	13,035	140.21%
Investing activities	(2,770)	100.00%	(2,318)	83.68%	(3,004)	108.45%	(5,202)	187.80%	(4,276)	154.37%	(2,172)	78.41%
Financing activities	(4,248)	100.00%	(6,496)	152.92%	(10,022)	235.92%	(12,995)	305.91%	(10,624)	250.09%	(11,240)	264.60%
Effect of Exchange rate changes	92	100.00%	2	2.17%	407	442.39%	306	332.61%	229	248.91%	165	179.35%
Cash and cash equivalents at year end	6,317	100.00%	9,932	157.23%	12,581	199.16%	7,249	114.75%	10,826	171.38%	10,614	168.02%

Financial Analysis

Analysis of Profit and Loss

Sales

Net sales decreased by 13%. Analyzing the net sales decrease of Rs 4,658.6 million from a product perspective, crude sales decreased for Rs 5,184.3 million, Gas sales decreased by Rs 1,185.3 million while POLGAS sales increased by Rs 1,823.6 million. Sales volumes increased for Crude by 10.7%, POLGAS by 56.1% while Gas volumes decreased by 7.3%. Volume variance is positive by Rs 4,293 million and price variance is negative by Rs 8,952 million. Price variance has two components; exchange rate and price, both are negative by Rs 448 million and Rs 8,504 million respectively.

Cost of sales

Cost of sales was Rs 14,614 million (2014: Rs 16,530 million). Cost of sales decreased due to lower amortization of development & decommissioning costs and royalty.

Exploration costs

Current period cost of Rs 4,729 million mainly relates to dry well cost of the hole related to Pindori well # 9 of Rs 2,009 million, Sadrial 1 Rs 1,861 million and Malgin well Rs 621 million, Ikhlas joint venture Rs 209 million for 3D seismic acquisition for Sadrial and other Rs 307 million, These increases were offset by recovery of past cost of Rs 278 million as 30% share in D.G. Khan Block has been farmed out to MOL Pakistan.

Other income

Other income decreased by Rs 260 million. During the period, exchange gain on financial assets is lower by Rs 65 million. Dividend from subsidiary & associated companies decreased by Rs 358 million, Gas processing fee decreased by Rs 30 million because lower quantity of Ratana and Pariwali Gas was processed due to lower production.

These decreases were offset by increase in Income from bank deposits by Rs 47 million due to a higher rate on saving accounts and average of bank balances were also on higher side. Available funds were placed of short term investment which resulted increase in income by Rs 49 million. Rental income net of related expenses is higher by Rs 45 million. Crude transportation income is also higher by Rs 42 million.

Taxation

Taxation amount is on lower side due to decrease profit before tax by Rs 5,717 million is lower by Rs 4,428 million.

Profit for the year

Profit after tax is Rs 8,559 million (2014: Rs 12,887 million)

Financial Analysis

Analysis of Balance Sheet

Assets:

Fixed assets increased by Rs 1,183 million. Additions (net of inter-transfer) are of Rs 2,455 million (June 2014: Rs 2,449 million) were offset by depreciation charged by Rs 1,271 million. Development costs of Rs 2,585 million were incurred during the period, which include additions of Rs 94 million at Pindori, Rs 69 million at Bhangali, Rs 510 million at Adhi, Rs 481 million at Makori East, Maramzai of Rs 325 million and Rs 88 million at Manzalai. Rs 1,047 million transferred from Exploration & Evaluation include Rs 566 million to Balkassar and Chak Naurang Rs 447 million. These increases were offset by decrease in Makori by Rs 9 million. Amortization for the year was Rs 3,027 million lower by 42 % as last year Domial development field cost was fully amortized. Decommissioning cost decreased by Rs 410 million comprises of Rs 490 million related to revision of change in estimates, which is offset by increase of Rs 183 million related to new wells. Amortization of decommissioning cost of Rs 104 million resulted in net decrease of Rs 410 million. Exploration & Evaluation of Assets, during the period Rs 3,533 million was incurred. It consists of Rs 501 million at Balkassar, Rs 765 million at Pindori, Rs 200 million at Gurgalot, Rs 274 million at Malgin, Tolanj South Rs 129 million, Rs 658 million at Mardankhel, Rs 109 million at Makori deep-1 and Rs 894 million at Margalla North. Rs 2,009 million of Pindori offset these increases, Rs 1,861 million of Sadrial and Rs 621 million of Malgin charged as exploration cost because of unsuccessful results.

Trade debts are on lower side due to decrease in sale price of the products.

Deferred Liabilities:

Deferred liabilities increased by Rs 118 million. Decommissioning cost increased by Rs 678 million, it is higher by Rs 119 million due to addition of new wells, Rs 98 million in unwinding cost and exchange loss of Rs 234 million, these increases were offset by decrease due to change in estimates by Rs 915 million.
Deferred income tax liabilities decreased by Rs 561 million, it is mainly related to temporary difference between accounting tax depreciation and amortization Rs 523.

Analysis of Cash flow statement

Operating activities:

A total of Rs 10,826 million was available as cash and cash equivalents at the beginning of the year. Cash generated from operations in 2015 lower by 28% to Rs 13,049 million (2014: Rs 18,248 million) related to lower sales and royalty.

Investing activities:

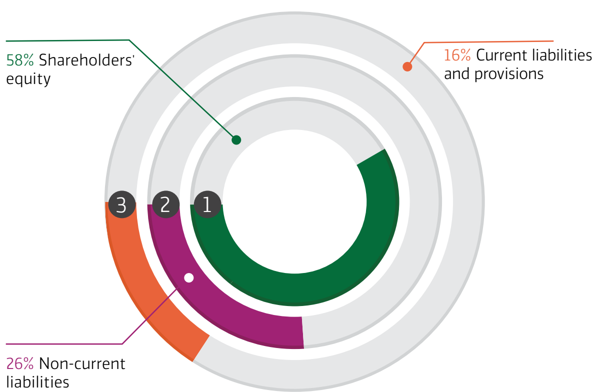
A total of Rs 2,177 million cash was expended on investing activities (2014: Rs 4,276 million) which consists outlay for addition in fixed assets of Rs 3,039 million. It was reduced by inflow from income on bank deposits by Rs 558 million and dividend income of Rs 290 million.

Financing activities:

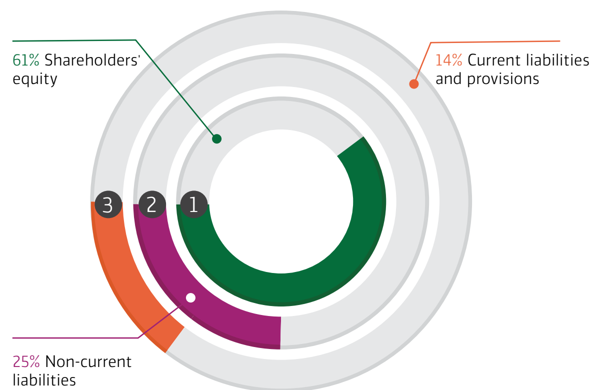
Rs 11,240 million of cash were used in financing activities related to payment of dividends. The cash balance includes effect of exchange rate changes of Rs 165 million during the year. Cash and cash equivalents at the end of year 2015 was Rs 10,624 million (2014: Rs 10,826 million).

Balance Sheet Composition

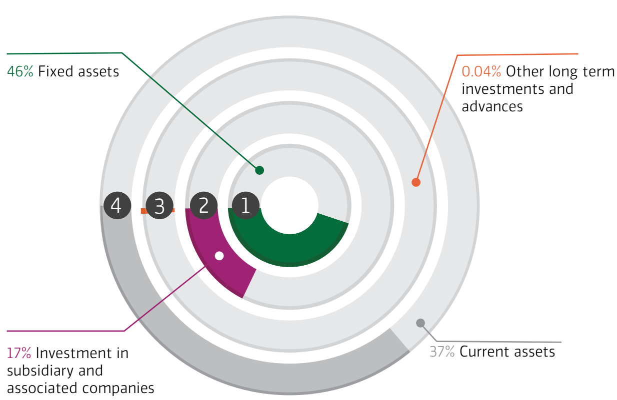
Share Capital & Reserves as on June 30, 2015



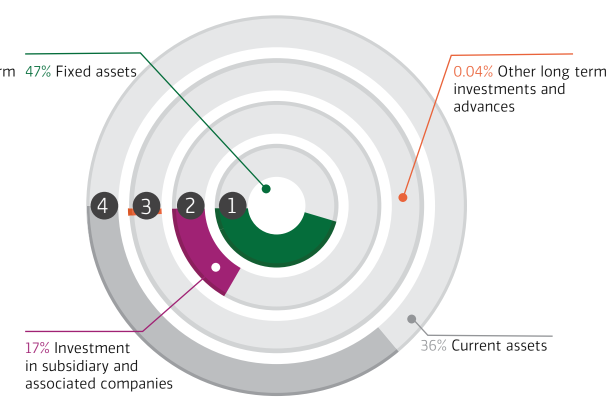
Share Capital & Reserves as on June 30, 2014



Assets as on June 30, 2015

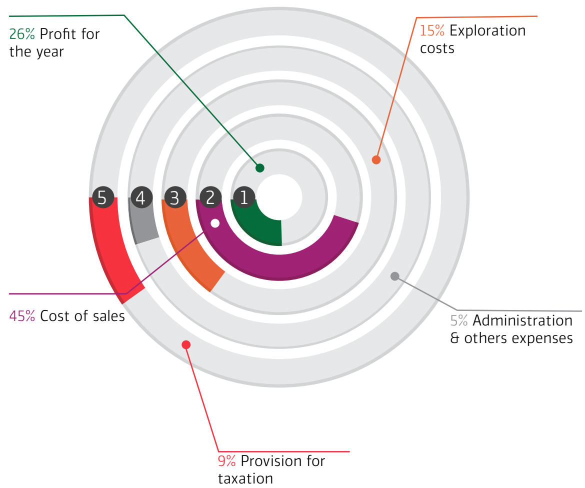


Assets as on June 30, 2014

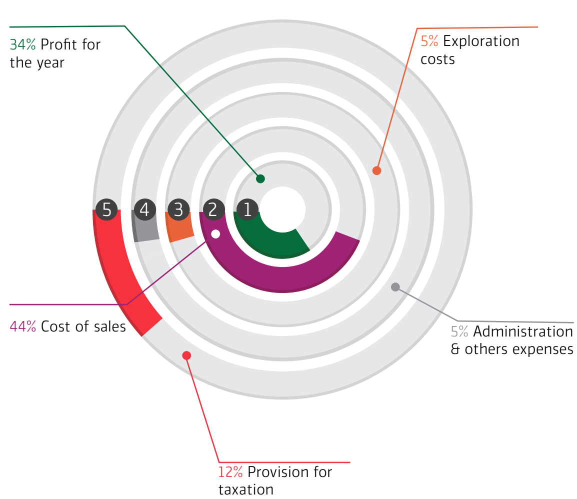


Profit and Loss Account Analysis

Analysis of Revenues - for the year ended June 30, 2015

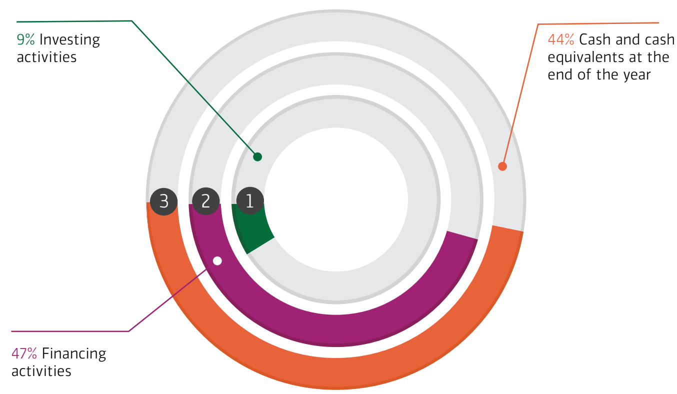


Analysis of Revenues - for the year ended June 30, 2014

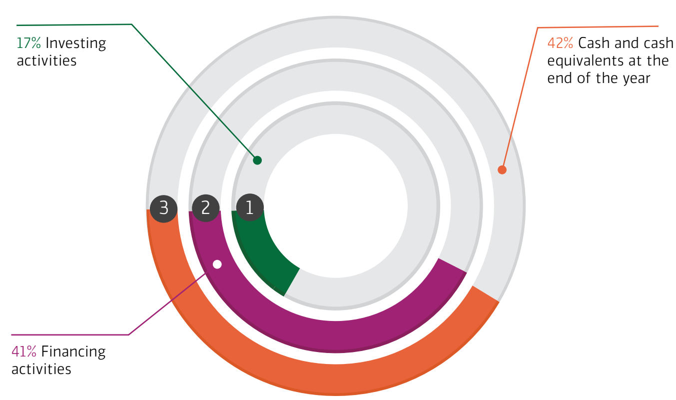


Cash Flow Analysis

Analysis of Cashflow - for the year ended June 30, 2015



Analysis of Cashflow - for the year ended June 30, 2014



POL's Geographical Presence & Shareholding in Exploration Licenses and D&P / Mining Leases

Exploration License	Province	Operator	Interest %
Ikhlas	Punjab	Pakistan Oilfields Limited	80.00
Kirthar South	Sindh	Pakistan Oilfields Limited	85.00
D.G. Khan	Punjab	Pakistan Oilfields Limited	70.00
Gurgalot	KPK**	Oil & Gas Development Company Limited	20.00
Tal Block	KPK	MOL Pakistan Oil and Gas Co. B.V	25.00
Margala	Punjab	MOL Pakistan Oil and Gas Co. B.V	30.00
Margala North	Punjab	MOL Pakistan Oil and Gas Co. B.V	30.00

D&P / Mining Lease

Balkassar	Punjab	Pakistan Oilfields Limited	100.00
Dhulian	Punjab	Pakistan Oilfields Limited	100.00
Joyamair	Punjab	Pakistan Oilfields Limited	100.00
Khaur	Punjab	Pakistan Oilfields Limited	100.00
Meyal / Uchri	Punjab	Pakistan Oilfields Limited	100.00
Minwal	Punjab	Pakistan Oilfields Limited	82.50
Pariwali	Punjab	Pakistan Oilfields Limited	82.50
Pindori	Punjab	Pakistan Oilfields Limited	35.00
Turkwal	Punjab	Pakistan Oilfields Limited	67.37
Adhi	Punjab	Pakistan Petroleum Limited	11.00
Chaknaurang	Punjab	Oil & Gas Development Company Limited	15.00
Kotra	Balochistan	Oil & Gas Development Company Limited	24.00
Bhangali	Punjab	Ocean Pakistan Limited	7.00
Dhurnal	Punjab	Ocean Pakistan Limited	5.00
Ratana	Punjab	Ocean Pakistan Limited	4.5450
Manzalai	KPK	MOL Pakistan Oil and Gas Co. B.V	25.00*
Makori	KPK	MOL Pakistan Oil and Gas Co. B.V	25.00*
Makori East	KPK	MOL Pakistan Oil and Gas Co. B.V	25.00*

* Pre-Commerciality interest
** Khyber Pakhtunkhwa

Financial Statements

A. F. FERGUSON & CO.

Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the code) prepared by the Board of Directors of Pakistan Oilfields Limited for the year ended June 30, 2015 to comply with the requirements of Listing Regulations of the respective Stock exchanges, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any noncompliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before, the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

AFerguson & Co.

Chartered Accountants
Islamabad
August 13, 2015

Engagement Partner: M. Imtiaz Aslam

Statement of Compliance, with the Code of Corporate Governance for the year ended June 30, 2015

This statement is being presented to comply with the Code of Corporate Governance contained in the Rule Book of the Karachi Stock Exchange and listing regulations of the Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good corporate governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	Mr. Tariq Iqbal Khan
	Mr. Nihal Cassim
Executive Directors	Mr. Shuaib A. Malik
Non-Executive Directors	Dr. Ghaith R. Pharaon*
	Mr. Laith G. Pharaon**
	Mr. Wael G. Pharaon***
	Mr. Abdus Sattar

* Alternate Director Mr. Bilal A. Khan, G.M-POL
** Alternate Director Mr. Iqbal A. Khwaja
*** Alternate Director Mr. Babar Bashir Nawaz

The independent directors meet the criteria of independence under clause i(b) of the Code.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

8. Most of the directors meet the exemption requirement of the directors' training program. The remaining directors have obtained certification under directors' training program.

9. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

10. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

11. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

12. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

13. The company has complied with all the corporate and financial reporting requirements of the Code.

14. The board has formed an Audit Committee. It comprises five members, of whom two are independent, three are non-executive directors. One of the non-executive directors is represented by an alternate director who is an executive of the Company.

15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

16. The board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises four members, of whom three are non-executive directors. One of the non-executive directors is represented by an alternate director who is an executive of the Company. Chairman of the committee is a non-executive director.

17. The board has set up an effective internal audit function.

18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the !CAP.

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.

21. Material/price sensitive information has been disseminated among all market participant at once through stock exchanges.

22. We confirm that all other material principles enshrined in the Code have been complied with.

Shuaib A. Malik
Chairman & Chief Executive

August 13, 2015
Rawalpindi

A. F. FERGUSON & CO.

Auditors' Report to the Members

We have audited the annexed balance sheet of Pakistan Oilfields Limited as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

AFFerguson & Co.

Chartered Accountants
Islamabad
August 13, 2015

Engagement Partner: M. Imtiaz Aslam

Balance Sheet
As at June 30, 2015

	Note	2015	2014
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital	6	5,000,000	5,000,000
Issued, subscribed and paid up capital	6	2,365,459	2,365,459
Revenue reserves	7	29,997,000	32,828,727
Fair value gain on available-for-sale investments		2,059	1,818
		32,364,518	35,196,004
NON CURRENT LIABILITIES			
Long term deposits	8	724,863	638,295
Deferred liabilities	9	13,818,663	13,700,892
		14,543,526	14,339,187
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	10	4,876,036	5,781,653
Provision for income tax		3,660,240	2,552,469
		8,536,276	8,334,122
CONTINGENCIES AND COMMITMENTS	11		
		55,444,320	57,869,313

Balance Sheet
As at June 30, 2015

	Note	2015	2014
		Rupees ('000)	
FIXED ASSETS			
Property, plant and equipment	12	10,488,713	9,306,101
Development and decommissioning costs	13	12,412,441	13,161,001
Exploration and evaluation assets	14	2,661,303	4,666,461
		25,562,457	27,133,563
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES	15	9,615,603	9,615,603
OTHER LONG TERM INVESTMENTS	16	5,726	5,485
LONG TERM LOANS AND ADVANCES	17	15,636	16,196
CURRENT ASSETS			
Stores and spares	18	4,276,065	3,663,109
Stock in trade	19	147,929	264,170
Trade debts	20	3,476,993	5,093,725
Advances, deposits, prepayments and other receivables	21	1,729,918	1,251,141
Cash and bank balances	22	10,613,993	10,826,321
		20,244,898	21,098,466
		55,444,320	57,869,313

The annexed notes 1 to 40 form an integral part of these financial statements.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Profit And Loss Account
For the year ended June 30, 2015

	Note	2015	2014
		Rupees ('000)	
SALES		33,295,474	37,857,154
Sales tax		(2,414,358)	(2,317,453)
NET SALES	23	30,881,116	35,539,701
Operating costs	24	(8,726,238)	(7,608,311)
Excise duty		(250,646)	(281,912)
Royalty		(2,609,939)	(3,438,680)
Amortization of development and decommissioning costs		(3,027,074)	(5,200,823)
		(14,613,897)	(16,529,726)
GROSS PROFIT		16,267,219	19,009,975
Exploration costs	25	(4,728,811)	(1,709,863)
		11,538,408	17,300,112
Administration expenses	26	(139,569)	(122,148)
Finance costs	27	(986,928)	(653,930)
Other charges	28	(485,572)	(1,140,355)
		(1,612,069)	(1,916,433)
		9,926,339	15,383,679
Other income	29	1,563,154	1,823,130
PROFIT BEFORE TAXATION		11,489,493	17,206,809
Provision for taxation	30	(3,030,618)	(4,319,415)
PROFIT FOR THE YEAR		8,458,875	12,887,394
Earnings per share - Basic and diluted (Rupees)	35	35.76	54.48

The annexed notes 1 to 40 form an integral part of these financial statements.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Statement of Comprehensive Income

For the year ended June 30, 2015

	2015	2014
	Rupees ('000)	
Profit for the year	8,458,875	12,887,394
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss		
Measurement (loss)/ gain on staff retirement benefit plans	(78,102)	6,502
Tax credit / (charge) relating to remeasurement gain on staff retirement benefit plans	23,431	(1,951)
	(54,671)	4,551
Items that may be subsequently reclassified to profit or loss		
Fair value adjustments on available for sale investments	241	422
Other comprehensive income for the year, net of tax	(54,430)	4,973
Total comprehensive income for the year	8,404,445	12,892,367

The annexed notes 1 to 40 form an integral part of these financial statements.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Cash Flow Statement
For the year ended June 30, 2015

	Note	2015	2014
		Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		33,169,293	35,964,841
Operating and exploration costs paid		(14,852,465)	(11,255,175)
Royalty paid		(2,820,941)	(3,371,385)
Taxes paid		(2,460,797)	(3,089,858)
Cash provided by operating activities		13,035,090	18,248,423
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets additions		(3,035,145)	(5,399,142)
Proceeds from disposal of property, plant and equipment		14,714	7,946
Proceeds from maturity of PIBs		-	50,000
Income on bank deposits and held-to-maturity investments		558,410	417,702
Dividend income received		289,546	647,204
Cash used in investing activities		(2,172,475)	(4,276,290)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(11,239,775)	(10,624,257)
EFFECT OF EXCHANGE RATE CHANGES		164,832	229,413
(DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(212,328)	3,577,289
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		10,826,321	7,249,032
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	37	10,613,993	10,826,321

The annexed notes 1 to 40 form an integral part of these financial statements.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Statement of Changes In Equity

For the year ended June 30, 2015

	Share capital	Revenue reserves: Insurance reserve	Revenue reserves: Investment reserve	Revenue reserves: Unappropriated profit	Fair value gain on available-for-sale investments	Total
	Rupees ('000)					
Balance at June 30, 2013	2,365,459	200,000	1,557,794	28,823,554	1,396	32,948,203
Total comprehensive income for the year:						
Profit for the year	-	-	-	12,887,394	-	12,887,394
Other comprehensive income	-	-	-	4,551	422	4,973
	-	-	-	12,891,945	422	12,892,367
Transactions with owners:						
Final dividend @ Rs 25 per share - Year ended June 30, 2013	-	-	-	(5,913,648)	-	(5,913,648)
Interim dividend @ Rs 20 per share - Year ended June 30, 2014	-	-	-	(4,730,918)	-	(4,730,918)
Total transactions with owners	-	-	-	(10,644,566)	-	(10,644,566)
Balance at June 30, 2014	2,365,459	200,000	1,557,794	31,070,933	1,818	35,196,004
Total comprehensive income for the year:						
Profit for the year	-	-	-	8,458,875	-	8,458,875
Other comprehensive income	-	-	-	(54,671)	241	(54,430)
	-	-	-	8,404,204	241	8,404,445
Transactions with owners:						
Final dividend @ Rs 32.5 per share - Year ended June 30, 2014	-	-	-	(7,687,742)	-	(7,687,742)
Interim dividend @ Rs 15 per share - Year ended June 30, 2015	-	-	-	(3,548,189)	-	(3,548,189)
Total transactions with owners	-	-	-	(11,235,931)	-	(11,235,931)
Balance at June 30, 2015	2,365,459	200,000	1,557,794	28,239,206	2,059	32,364,518

The annexed notes 1 to 40 form an integral part of these financial statements.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

1. LEGAL STATUS AND OPERATIONS

The Company is incorporated in Pakistan as a public limited company and its shares are quoted on all the three Stock Exchanges in Pakistan. The registered office of the Company is situated at Morgah, Rawalpindi. The Company is principally engaged in exploration, drilling and production of crude oil and gas. Its activities also include marketing of liquefied petroleum gas under the brand name POLGAS and transmission of petroleum. The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Bay View International Group S.A.

2. STATEMENT OF COMPLIANCE

These are separate financial statements of the Company. These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments and interpretations to existing standards that are not yet effective but have been early adopted by the Company:

IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement
IAS 27	Separate financial statements (revised 2011)
IAS 28	Associates and Joint Ventures (revised 2011)

IFRS 10 'Consolidated Financial Statements'

The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The adoption of the standard does not have any impact on the Company's financial statements.

IFRS 11 'Joint Arrangements'

The standard focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportionate consolidation of joint arrangement is no longer permitted. The company has assessed the classification of its joint arrangement on July 1, 2014 and concluded that the adoption of IFRS 11 did not result in any change in the accounting for its joint arrangements.

IFRS 12 'Disclosure of Interests in Other Entities'

The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The adoption of the standard does not have any impact on the Company's separate financial statements.

IFRS 13 'Fair Value Measurement'

The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The adoption of the standard has resulted in inclusion of some additional disclosures related to Company's financial assets held at fair value.

IAS 27 'Separate financial statements (Revised 2011)'

The standard deals only with accounting for subsidiaries, associates and Joint ventures in separate financial statements of the parent company. Adoption of this standard does not have any material impact on the Company's financial statements.

IAS 28 'Investment in associated and Joint ventures (Revised 2011)'

The standard set out the requirements of application of equity method of accounting when accounting for investment in associated and Joint ventures. Adoption of this standard does not have any material impact on the Company's financial statements.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments)	July 1, 2016
IFRS 7	Financial Instruments: Disclosures (Amendments)	July 1, 2016
IFRS 14	Regulatory Deferral Accounts	January 1, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2017
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2016
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2016
IAS 19	Employee Benefits (Amendments)	January 1, 2016
IAS 27	Separate Financial Statements (Amendments)	January 1, 2016
IAS 28	Investment in Associates and Joint ventures (Amendments)	January 1, 2016
IAS 34	Interim Financial Reporting (Amendments)	January 1, 2016
IAS 38	Intangible Assets (Amendments)	January 1, 2016
IAS 41	Agriculture (Amendments)	January 1, 2016

The management anticipates that adoption of above standards, amendments and interpretations in future periods will have no material impact on the Company's financial statements other than in presentation / disclosures.

3.3 Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1	First-time Adoption of International Financial Reporting Standards
IFRS 9	Financial Instruments

3.4 The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4	Determining whether an arrangement contains lease
IFRIC 12	Service concession arrangements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policy notes.

4.2 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

4.3 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistan Rupees, which is the Company's functional currency.

4.4 Foreign currency transactions and translation

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of transaction. All assets and liabilities in foreign currencies are translated into rupees at the rates of exchange ruling on the date of the balance sheet. Exchange differences are dealt with through the profit and loss account.

4.5 Taxation

Provision for current taxation is based on taxable income at applicable tax rates, adjusted for royalty payments to the Government.

Deferred tax is accounted for on all temporary differences using the liability method. Deferred tax liability has been calculated at the estimated effective rate of 30% after taking into account availability of future depletion allowance and set off available in respect of royalty payments to the Government.

4.6 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

4.7 Provision for decommissioning cost

Provision for decommissioning cost is recognized in full for development wells and production facilities. The amount recognized is the present value of the estimated cost to abandon a well and remove production facilities. A corresponding intangible asset of an amount equivalent to the provision is also created and is amortized on unit of production basis over the total proved developed reserves of the field or @ 5% where the life of a field is more than 20 years.

Most of these abandonment and removal events are many years in the future and the precise requirements that will have to be met when the abandonment and removal event actually occurs are uncertain. Abandonment and asset removal technologies and costs are constantly changing, as are political, environmental, safety and public expectations. Consequently, the timing and amount of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed annually, together with the interest rate to be used in discounting the cash flows.

The effect of changes resulting from revisions to the estimate of the liability are incorporated on a prospective basis.

The decommissioning cost has been discounted at a real discount rate of 2.15% p.a. (2014: 1.08% v.). The increase in provision due to unwinding of discount is recorded as finance cost.

4.8 Employee compensated absences

The Company provides for compensated absences for all eligible employees in accordance with the rules of the Company.

4.9 Staff retirement benefits

The Company operates the following staff retirement benefits plans:

(i) A pension plan for its management staff and a gratuity plan for its management and non-management staff. The pension and gratuity plans are invested through approved trust funds. Both are defined benefit final salary plans. The pension and gratuity plans are complementary plans for management staff. Pension payable to management staff is reduced by an amount determined by the actuary equivalent to amount paid by the gratuity fund. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Actuarial valuations are conducted annually using the "Projected Unit Credit Method" and the latest valuation was conducted as at June 30, 2015.

Actuarial gain and losses arising from experience adjustments and change in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in income.

Since both are complementary plans, combined details and valuation for pension plan and gratuity plan are given in note 34.

(ii) Separate approved contributory provident funds for management and non-management employees for which contributions are made by the company and the employee at the rate of 10% of basic salary.

4.10 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

4.11 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.12 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for freehold land and capital work in progress, which are stated at cost.

Depreciation is provided on straight line method at rates specified in note 12 to the financial statements.

Depreciation is charged on additions from the month the assets become available for the intended use up to the month in which these are derecognized.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains and losses on derecognition of assets are included in income currently.

4.13 Exploration assets/ costs and development costs

4.13.1 Exploration and development costs are accounted for using the "Successful Efforts Method" of accounting.

4.13.2 Exploration costs

All exploration costs, other than those relating to exploratory drilling, are charged to income as incurred.

Exploratory drilling costs i.e. costs directly associated with drilling of an exploratory well, are initially capitalized pending determination of proven reserves. These costs are either charged to income if no proved reserves are found or transferred to development costs if proved reserves are found.
All capitalized costs are subject to review for impairment at least once a year and any impairment determined is immediately charged to income.

4.13.3 Development costs

Development costs are stated at cost less accumulated amortization and impairment losses. Expenditure on drilling of development wells, including unsuccessful development wells, is capitalized within development costs. Capitalized development costs are amortized on a unit of production basis over the total proved developed reserves of the field or @ 5% per annum where the life of the field is more than 20 years.

4.14 Investments in subsidiary and associated companies

These investments are carried at cost less impairment losses. The profits and losses of the subsidiary and associated companies are carried forward in the financial statements of the subsidiary and associated companies and not dealt within or for the purpose of these financial statements except to the extent of dividend declared by the subsidiary and associated companies. Gain and loss on disposal of investment is included in income currently.

4.15 Stores and spares

Stores and spares are valued at cost determined on moving average formula less allowance for obsolete items. Stores in transit are stated at invoice value plus other charges paid thereon.

4.16 Stock in trade

Stocks are valued at the lower of average annual cost (including appropriate production overheads) and net realizable value. Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs necessary to be incurred for its sale.

4.17 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each balance sheet date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognized. An impairment loss or reversal of impairment loss is recognized in income for the year.

4.18 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of the contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. All financial assets and liabilities other than at fair value through profit or loss assets and liabilities are initially recognized at fair value plus transaction costs. Financial assets and liabilities carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are charged to income for the year. These are subsequently measured at fair value, amortized cost or cost, as the case may be. Any gain or loss on derecognition of financial assets and financial liabilities is included in income for the year.

4.19 Financial assets

The Company classifies its financial assets in the following categories: investments at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available for sale investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the company commits to purchase or sell the asset.

(i) Investments at fair value through profit or loss

Investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investments are measured at fair value with any resulting gains or losses charged directly to income. The fair value of such investments is determined on the basis of prevailing market prices.

(ii) Held-to-maturity investments

Investments with fixed payments and maturity that the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments and are carried at amortized cost less impairment losses.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise 'Long term loans and advances', 'Trade debts', 'Advances, deposits and other receivables', and 'Cash and bank balances' in the balance sheet. Loans and receivables are carried at amortized cost using the effective interest method less allowance for any uncollectible amounts.

An allowance for uncollectible amounts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than the credit period specified in sales agreements) are considered indicators that the amount is uncollectible. When the amount is uncollectible, it is written off against the allowance.

(iv) Available-for-sale investments

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.
Available-for-sale investments are initially recognized at cost and carried at fair value at the balance sheet date. Fair value of a quoted investment is determined in relation to its market value (current bid prices) at the balance sheet date. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques/ Net Asset Values (NAVs) quoted by the respective Asset Management Company. Adjustment arising from remeasurement of investment to fair value is recorded in the statement of comprehensive income and taken to income on disposal of the investment or when the investment is determined to be impaired.

4.20 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

4.21 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to setoff the recognized amounts and the Company intends to settle on a net basis, or realize the asset and settle the liability simultaneously.

4.22 Revenue recognition

Revenue from sales is recognized on dispatch of products to customers. Revenue from services is recognized when the related services are rendered. Effect of adjustment, if any, arising from revision in sale price is reflected as and when the prices are finalized with the customers and/or approved by the Government.

Income on held-to-maturity investments and bank deposits is recognized on time proportion basis using the effective yield method.

Dividend income is recognized when the right to receive dividend is established.

4.23 Joint arrangements

The company has applied IFRS 11 to all joint arrangements as of July 1, 2014. Under IFRS 11 investment in joint arrangement are classified as either joint operations or joint ventures depending on the contractual right and obligations of the parties to the arrangement. The company has assessed the nature of its joint arrangements and determined them to be joint operations. The company has recognized its share of assets, liabilities, income and expenditure jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, the cost statements received from operators of the joint arrangements for the intervening period upto the balance sheet date.

4.24 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and finances under mark up arrangements.

4.25 Dividend distribution

Dividend distribution to the shareholders is accounted for in the period in which dividend is declared.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- **i)** Estimate of recoverable amount of investment in associated companies - note 15
- **ii)** Estimated crude oil/gas reserves used for amortization of development and decommissioning costs - note 13
- **iii)** Estimated useful life of property, plant and equipment - note 12
- **iv)** Estimated costs and discount rate used for provision for decommissioning cost - note 4.7
- **v)** Estimated value of staff retirement benefits obligations - note 34
- **vi)** Provision for taxation - note 4.5
- **vii)** Price adjustment related to crude oil sales - note 4.22

	2015	2014
	Rupees ('000)	
6. SHARE CAPITAL		
Authorised capital		
500,000,000 (2014: 500,000,000) ordinary shares of Rs 10 each	5,000,000	5,000,000
Issued, subscribed and paid up capital		
Shares issued for cash		
20,200,000 (2014: 20,200,000) ordinary shares	202,000	202,000
Shares issued as fully paid bonus shares		
216,345,920 (2014: 216,345,920) ordinary shares	2,163,459	2,163,459
236,545,920 (2014: 236,545,920) ordinary shares of Rs 10 each	2,365,459	2,365,459

The Company is a subsidiary of The Attock Oil Company Limited which held 124,776,965 (2014: 124,776,965) ordinary shares at the year end.

	2015	2014
	Rupees ('000)	
7. REVENUE RESERVES		
Insurance reserve - note 7.1	200,000	200,000
Investment reserve - note 7.2	1,557,794	1,557,794
Unappropriated profit	28,239,206	31,070,933
	29,997,000	32,828,727

7.1 The Company has set aside an insurance reserve for self insurance of assets which have not been insured and for deductibles against insurance claims.

7.2 The Company has set aside gain on sale of investments as investment reserve to meet any future losses/ impairment on investments.

		2015	2014
		Rupees ('000)	
8.	**LONG TERM DEPOSITS**		
	Security deposits from distributors for cylinders/ equipment	674,215	587,564
	Security deposits from distributors and others	50,648	50,731
		724,863	638,295
9.	**DEFERRED LIABILITIES**		
	Provision for deferred income tax - note 9.1	5,363,570	5,924,951
	Provision for decommissioning cost - note 9.2	8,442,955	7,765,490
	Provision for staff compensated absences	12,138	10,451
		13,818,663	13,700,892
9.1	**Provision for deferred income tax**		
	The provision for deferred income tax represents:		
	Temporary differences between accounting and tax depreciation/ amortization	5,511,660	6,034,257
	Provision for stores and spares	(84,725)	(69,372)
	Provision for doubtful receivable	(93)	(93)
	Deferred tax on remeasurement loss on staff retirement benefit plans	(63,272)	(39,841)
		5,363,570	5,924,951
9.2	**Provision for decommissioning cost**		
	Balance brought forward	7,765,490	6,623,828
	Revision due to change in estimates	(490,283)	424,635
	Provision during the year	183,882	64,600
	Unwinding of discount	753,253	655,759
	Exchange (gain)/loss	230,613	(3,332)
		8,442,955	7,765,490

	2015	2014
	Rupees ('000)	
10. TRADE AND OTHER PAYABLES		
Creditors	256,605	433,297
Due to related parties		
Attock Petroleum Limited	-	6,610
Attock Hospital (Pvt) Limited	1,355	705
CAPGAS (Pvt) Limited	452	367
Management Staff Pension Fund	46,200	23,937
Staff Provident Fund	-	2,318
General Staff Provident Fund	1,254	1,364
Workers' Profit Participation Fund - note 10.1	-	887,070
Due to joint operating partners		
The Attock Oil Company Limited	19,683	65,280
Others	1,091,620	496,677
Accrued liabilities	2,045,507	2,124,797
Advance payment from customers	51,290	48,454
Royalty	253,449	464,451
Excise duty	2,851	3,644
Workers' Welfare Fund	984,356	1,096,889
Liability for staff compensated absences	4,110	4,645
Unclaimed dividends	117,304	121,148
	4,876,036	5,781,653
10.1 Workers' Profit Participation Fund		
Balance at beginning of the year	887,070	770,533
Amount allocated for the year	598,105	916,979
Amount paid to the Fund's trustees	(1,690,822)	(800,442)
(Receiveable) balance at year end shown under Other receiveables - notes 21	(205,647)	887,070
11. CONTINGENCIES AND COMMITMENTS		
Contingencies:		
Guarantees issued by banks on behalf of the company	5,967	9,912
Commitments:		
Share in joint operations	9,691,246	10,839,663
Own fields	1,647,832	2,840,940
Letter of credit issued by banks on behalf of the company	127,866	315,098
12. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 12.1	8,275,395	8,306,460
Capital work in progress - note 12.5	2,213,318	999,641
	10,488,713	9,306,101

12.1 Operating assets

	Freehold land	Buildings	Pipelines and pumps	Plant and machinery Field plants	Plant and machinery Rigs	Gas cylinders	Motor vehicles	Chattels	Computer and software development	Total
	Rupees ('000)									
As at July 1, 2013										
Cost	21,376	328,512	1,254,839	6,340,404	519,860	456,310	353,706	117,113	311,693	9,703,813
Accumulated depreciation	-	(140,638)	(551,405)	(3,442,333)	(316,864)	(398,628)	(229,695)	(70,256)	(189,850)	(5,339,669)
Net book value	21,376	187,874	703,434	2,898,071	202,996	57,682	124,011	46,857	121,843	4,364,144
Year ended June 30, 2014										
Opening net book value	21,376	187,874	703,434	2,898,071	202,996	57,682	124,011	46,857	121,843	4,364,144
Additions	942	16,630	97,736	4,451,988	58,285	125,857	82,303	11,182	41,550	4,886,473 *
Disposals										
Cost	-	-	(268)	(4,747)	(3,835)	(3,506)	(8,481)	(2,239)	(2,845)	(25,921) *
Depreciation	-	-	248	4,539	3,710	3,506	8,481	2,208	2,845	25,537
	-	-	(20)	(208)	(125)	-	-	(31)	-	(384)
Depreciation charge	-	(14,538)	(98,182)	(678,430)	(34,391)	(19,152)	(46,937)	(8,252)	(43,891)	(943,773)
Closing net book value	22,318	189,966	702,968	6,671,421	226,765	164,387	159,377	49,756	119,502	8,306,460
As at July 1, 2014										
Cost	22,318	345,142	1,352,307	10,787,645	574,310	578,661	427,528	126,056	350,398	14,564,365
Accumulated depreciation	-	(155,176)	(649,339)	(4,116,224)	(347,545)	(414,274)	(268,151)	(76,300)	(230,896)	(6,257,905)
Net book value	22,318	189,966	702,968	6,671,421	226,765	164,387	159,377	49,756	119,502	8,306,460
Year ended June 30, 2015										
Opening net book value	22,318	189,966	702,968	6,671,421	226,765	164,387	159,377	49,756	119,502	8,306,460
Additions	-	3,160	507,365	468,010	36,482	108,338	45,985	9,828	66,722	1,245,890 *
Disposals										
Cost	-	-	(18,110)	(4,502)	(1,577)	(7,711)	(3,614)	(2,647)	(5,908)	(44,069) *
Depreciation	-	-	13,770	4,096	1,577	7,711	3,614	2,612	5,908	39,288
	-	-	(4,340)	(406)	-	-	-	(35)	-	(4,781)
Depreciation charge	-	(15,174)	(118,183)	(943,512)	(36,250)	(37,476)	(59,980)	(11,038)	(50,561)	(1,272,174)
Closing net book value	22,318	177,952	1,087,810	6,195,513	226,997	235,249	145,382	48,511	135,663	8,275,395
As at June 30, 2015										
Cost	22,318	348,302	1,841,562	11,251,153	609,215	679,288	469,899	133,237	411,212	15,766,186
Accumulated depreciation	-	(170,350)	(753,752)	(5,055,640)	(382,218)	(444,039)	(324,517)	(84,726)	(275,549)	(7,490,791)
Net book value	22,318	177,952	1,087,810	6,195,513	226,997	235,249	145,382	48,511	135,663	8,275,395
Annual rate of Depreciation (%)	-	5	10	10	10	10	20	12.5	25	

* Additions and disposals include inter-transfers of assets having book value of Rs 3,038 thousand; cost of Rs 4,179 thousand and depreciation of Rs 1,141 thousand (2014: book value of Rs 20 thousand; cost of Rs 21 thousand and depreciation of Rs 1 thousand).

12.2 Cost and accumulated depreciation include:

	Cost		Accumulated depreciation	
	2015	2014	2015	2014
	Rupees ('000)		Rupees ('000)	
Share in joint operations operated by the Company	1,410,718	1,395,492	1,135,872	1,052,684
Assets not in possession of the Company				
Share in joint operations operated by others	9,324,426	8,924,734	3,098,668	2,222,024
Gas cylinders - in possession of distributors	634,651	535,725	412,564	384,057
	11,369,795	10,855,951	4,647,104	3,658,765

12.3 The depreciation charge has been allocated as follows:

	2015	2014
Operating cost	1,254,942	927,554
Other income - Crude transportation income	16,091	16,218
Inter-transfers	1,141	1
	1,272,174	943,773

12.4 Property, plant and equipment disposals:

The detail of property, plant and equipment disposals, having net book value in excess of Rs 50,000 is as follows:

	Original cost	Book value	Sale proceeds	Mode of disposal	Particulars of purchaser
	Rupees ('000)				
Motor vehicles	79	60	88	Sold to operated concession	Pindori Concession
Plant and Machinery	14,559	1,642	6,572	Purchaser valuation	Sui Northern Gas Pipeline Limited

12.5 Capital work in progress

	Buildings	Plant and machinery/ Pipelines and pumps	Computers and software development	Total
	Rupees ('000)			
Balance as at July 1, 2013	-	3,424,857	12,186	3,437,043
Additions/ (reversals) during the year	22,110	944,795	(6,384)	960,521
Transfers during the year	(4,397)	(3,389,169)	(4,357)	(3,397,923)
Balance as at June 30, 2014	17,713	980,483	1,445	999,641
Balance as at July 1, 2014	17,713	980,483	1,445	999,641
Additions during the year	101,827	1,564,695	13,060	1,679,582
Transfers during the year	-	(465,905)	-	(465,905)
Balance as at June 30, 2015	119,540	2,079,273	14,505	2,213,318

12.6 Break up of capital work in progress at June 30 is as follows:

		2015	2014
		Rupees ('000)	
Own fields		272,650	517,230
POLGAS plant		467,668	20,339
Share in joint operations operated by the company			
	- Ahmadal	5,290	-
Share in joint operations operated by others			
MOL Pakistan Oil and	- TAL Block	89,464	61,161
Gas Company B.V.	- Margala Block	269	269
Oil and Gas Development			
Company Limited	- Kotra	432,394	232,849
	- Chaknaurang	-	37,695
Pakistan Petroleum			
Limited	- Adhi	945,583	130,098
		2,213,318	999,641

13. DEVELOPMENT AND DECOMMISSIONING COSTS

	Development Cost	Decommissioning Cost	Total
		Rupees ('000)	
As at July 1, 2013			
Cost	26,141,071	3,517,881	29,658,952
Accumulated amortization	(11,642,382)	(1,406,168)	(13,048,550)
Net book value	14,498,689	2,111,713	16,610,402
Year ended June 30, 2014			
Opening net book value	14,498,689	2,111,713	16,610,402
Additions	1,262,187	64,600	1,326,787
Revision due to change in estimates	-	424,635	424,635
Amortization for the year	(4,632,080)	(568,743)	(5,200,823)
Closing net book value	11,128,796	2,032,205	13,161,001
As at July 1, 2014			
Cost	27,403,258	4,007,116	31,410,374
Accumulated amortization	(16,274,462)	(1,974,911)	(18,249,373)
Net book value	11,128,796	2,032,205	13,161,001
Year ended June 30, 2015			
Opening net book value	11,128,796	2,032,205	13,161,001
Additions	1,537,637	183,882	1,721,519
Revision due to change in estimates	-	(490,283)	(490,283)
Well Cost transferred from exploration and evaluation assets - note 14	1,047,278	-	1,047,278
Amortization for the year	(2,923,016)	(104,058)	(3,027,074)
Closing net book value	10,790,695	1,621,746	12,412,441
As at June 30, 2015			
Cost	29,988,173	3,700,715	33,688,888
Accumulated amortization	(19,197,478)	(2,078,969)	(21,276,447)
Net book value	10,790,695	1,621,746	12,412,441

		2015	2014
		Rupees ('000)	
14. EXPLORATION AND EVALUATION ASSETS			
Balance brought forward		4,666,461	2,978,577
Additions during the year		3,533,112	2,317,579
		8,199,573	5,296,156
Wells cost transferred to development cost - note 13		(1,047,278)	-
Dry and abandoned wells cost charged to the profit and loss account - note 25		(4,490,992)	(629,695)
		2,661,303	4,666,461
14.1 Break up of exploration and evaluation assets at June 30 is as follows:			
Own fields - Balkassar		-	18,353
Share in joint operations operated by the Company			
	- Ikhlas	-	1,866,263
	- Pindori	-	1,324,457
Share in joint operations operated by others			
MOL Pakistan Oil and Gas Company B.V.	- TAL Block	1,438,274	881,453
	- Margalla North	1,023,199	128,906
Oil and Gas Development Company Limited	- Gurgalot	199,830	-
	- Chak Naurang	-	447,029
		2,661,303	4,666,461

	2015		2014	
	Percentage holding	Amount Rs ('000)	Percentage holding	Amount Rs ('000)
15. LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - AT COST				
Subsidiary company				
Unquoted				
CAPGAS (Private) Limited 344,250 (2014: 344,250) fully paid ordinary shares including 191,250 (2014: 191,250) bonus shares of Rs 10 each	51	1,530	51	1,530
Associated companies				
Quoted				
National Refinery Limited - note 15.1 19,991,640 (2014: 19,991,640) fully paid ordinary shares including 3,331,940 (2014: 3,331,940) bonus shares of Rs 10 each Quoted market value as at June 30, 2015: Rs 4,639,260 thousand (2014: Rs 4,305,600 thousand)	25	8,046,635	25	8,046,635
Attock Petroleum Limited (APL) 5,820,595 (2014: 5,820,595) fully paid ordinary shares including 2,452,195 (2014: 2,452,195) bonus shares of Rs 10 each Quoted market value as at June 30, 2015: Rs 3,301,558 thousand; (2014: Rs 3,433,162 thousand)	7	1,562,938	7	1,562,938
Unquoted				
Attock Information Technology Services (Pvt) Limited (AITSL) 450,000 (2014: 450,000) fully paid ordinary shares of Rs 10 each	10	4,500	10	4,500
		9,615,603		9,615,603

15.1 All subsidiary and associated companies are incorporated in Pakistan. Although the Company has less than 20 percent shareholding in APL and AITSL, these have been treated as associates since the Company has representation on their Board of Directors.

15.2 Based on a valuation analysis carried out by an external investment advisor engaged by the Company, the recoverable amount of investment in National Refinery Limited exceeds its carrying amount. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes a gross profit margin of 2.5% (2014: 3.2%), a terminal growth rate of 4.0% (2014: 4.0%) and a capital asset pricing model based discount rate of 14.34% (2014: 18.62%).

	2015	2014
	Rupees ('000)	
16. OTHER LONG TERM INVESTMENTS		
Available-for-sale investments - note 16.1	5,726	5,485
16.1 Available-for-sale investments		
Balance at the beginning of the year	5,485	5,063
Fair value adjustment	241	422
Balance at the end of the year	5,726	5,485

	2015				2014
	Number of shares/units	Cost less impairment loss	Adjustment arising from remeasurement to fair value	Fair value	Fair value
			Rupees ('000)		
16.1.1 Available-for-sale investments at June 30 include the following:					
<u>Listed securities:</u>					
Meezan Sovereign Fund	9,706	378	145	523	490
Pakistan Cash Management Fund	11,792	429	163	592	554
IGI Money Market Fund	11,865	862	334	1,196	1,123
Atlas Money Market Fund	1,042	404	121	525	524
UBL Liquidity Plus Fund	12,237	896	334	1,230	1,155
Unlisted securities:					
Atlas Asset Management Company	3,254	698	962	1,660	1,639
		3,667	2,059	5,726	5,485

16.1.2 The fair value of listed securities is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price. The fair values of unlisted securities are the Net Asset Values (NAV) as at June 30, 2015 as quoted by the respective Asset Management Company.

	2015	2014
	Rupees ('000)	
17. LONG TERM LOANS AND ADVANCES, CONSIDERED GOOD		
Executives - note 17.1	17,076	17,547
Other employees	25,391	24,373
	42,467	41,920
Less: Amount due within twelve months, shown under current loans and advances - note 21	26,831	25,724
	15,636	16,196

17.1 Movement in loans to Executives

	Balance as at June 30, 2014	Disbursements	Repayments	Balance as at June 30, 2015
	Rupees ('000)			
Executives	17,547	19,792	(20,263)	17,076

17.2 Loans and advances to employees are for general purpose and for house rent advance which are recoverable in up to 60 and 36 equal monthly installments respectively and are secured by an amount due to the employee against provident fund. These loans and advances are interest free. These do not include any amount receivable from the Chief Executive and Directors. The aggregate maximum amount due from Executives at the end of any month during the year was Rs 19,530 thousand (2014: Rs 21,414 thousand) respectively.

	2015	2014
	Rupees ('000)	
18. STORES AND SPARES		
Stores and spares - note 18.1	4,558,483	3,894,349
Less: Provision for slow moving items - note 18.2	282,418	231,240
	4,276,065	3,663,109
18.1 Stores and spares include:		
Share in joint operations operated by the Company	324,357	333,067
Share in joint operations operated by others (assets not in possession of the Company)	1,799,258	1,429,553
	2,123,615	1,762,620

		2015	2014
		Rupees ('000)	
18.2	**Provision for slow moving items**		
	Balance brought forward	231,240	203,515
	Provision for the year	51,178	27,725
		282,418	231,240
19.	**STOCK IN TRADE**		
	Crude oil and other products	147,929	264,170

These include Rs 76,942 thousand (2014: Rs 164,985 thousand) being the Company's share in joint operations.

		2015	2014
		Rupees ('000)	
20.	**TRADE DEBTS - Considered good**		
	Due from related parties - note 20.1	1,606,248	2,705,674
	Others	1,870,745	2,388,051
		3,476,993	5,093,725
20.1	**Due from related parties**		
	Associated companies		
	Attock Refinery Limited	1,193,086	1,769,869
	National Refinery Limited	404,619	935,805
	Attock Petroleum Limited	8,543	-
		1,606,248	2,705,674

Ageing analysis of trade debts receivable from related parties is given in note 33.3 to the financial statements.

	2015	2014
	Rupees ('000)	
21. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances - considered good		
Employees - note 17	26,831	25,724
Suppliers	99,638	154,473
	126,469	180,197
Trade deposits and short term prepayments		
Deposits	236,562	269,700
Short-term prepayments	306,938	269,828
	543,500	539,528
Interest income accrued	11,882	40,437
Other receivables		
Joint Operating partners	580,831	31,988
Due from related parties		
Parent company		
The Attock Oil Company Limited	38,061	68,301
Associated company		
Attock Leisure Management Association	-	48
Staff Provident Fund	3,749	-
Workers Profit Participation Fund - note 10.1	205,647	-
Gratuity Fund - note 34.1	14,268	21,993
Sales tax	161,873	294,109
Other receivables (net of provision for doubtful receivable Rs 310 thousand (2014: Rs 310 thousand))	43,638	74,540
	1,048,067	490,979
	1,729,918	1,251,141

	2015	2014
22. CASH AND BANK BALANCES		
Bank balance on		
Short term deposits	7,510,125	5,748,468
Interest/mark-up bearing saving accounts	3,063,979	4,934,663
Current accounts	37,087	141,418
	10,611,191	10,824,549
Cash in hand	2,802	1,772
	10,613,993	10,826,321

Balance with banks include foreign currency balances of US $ 76,267 thousand (2014: US $ 61,396 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 0.25% to 9.20% (2014: 0.1% to 10.65%).

		2015	2014
		Rupees ('000)	
23.	**NET SALES**		
	Crude oil	16,266,329	21,450,587
	Gas	7,759,984	8,945,263
	POLGAS - Refill of cylinders	6,654,476	4,830,850
	Solvent oil	188,666	273,377
	Sulphur	11,661	39,624
		30,881,116	35,539,701
24.	**OPERATING COSTS**		
	Operating cost - Own fields	982,550	688,298
	- Share in joint operations	2,671,898	2,610,598
	Well workovers	164,606	353,229
	POLGAS -Cost of gas/LPG, carriage etc.	3,368,822	3,009,509
	Head office and insurance charges	101,223	56,925
	Pumping and transportation cost	65,956	75,023
	Depreciation	1,254,942	927,554
		8,609,997	7,721,136
	Opening stock of crude oil and other products	264,170	151,345
	Closing stock of crude oil and other products	(147,929)	(264,170)
		8,726,238	7,608,311

			2015	2014
			Rupees ('000)	
25.	**EXPLORATION COSTS**			
	Geological and geophysical cost			
	Own fields		1,590	1,750
	Share in joint operations operated by the Company			
		- Kirthar South	34,727	45,852
		- Ikhlas	209,210	206,299
		- Pindori	(1,123)	39,951
		- Minwal	7,570	6,921
		- Ahmadal	(2,319)	(4,737)
		- DG Khan - note 25.1	(240,570)	698,625
		- Rajanpur	4,438	28,142
	Share in joint operations operated by the others			
	MOL Pakistan Oil and Gas Company B.V.	- TAL Block	72,296	570
		- Makori West	-	(2,547)
		- Kot - 1	-	11,846
		- Margala Block	17,448	6,816
		- Margala North Block	75,261	23,295
		- Malgin	42,554	-
	Oil and Gas Development Company Limited	- Kotra	1,672	2,855
		- Gurgalot	13,236	10,194
		- Chak Naurang	1,041	2,834
	Pakistan Petroleum Limited	- Adhi	788	1,502
			237,819	1,080,168
	Dry and abandoned wells cost - note 14			
	Share in joint operations operated by the Company			
		- Pindori	2,008,999	-
		- Ikhlas	1,861,348	-
	Share in joint operations operated by others			
	MOL Pakistan Oil and Gas Company B.V.	- Malgin	620,645	-
		- Kot - 1	-	629,695
			4,490,992	629,695
			4,728,811	1,709,863

25.1 This represents reversal due to assignment of working interest in D.G.Khan Petroleum Concession by the Company during the year to MOL Pakistan Oil and Gas Company B.V .

		2015	2014
		Rupees ('000)	
26.	**ADMINISTRATION EXPENSES**		
	Establishment charges	203,445	216,517
	Telephone and telex	1,139	1,055
	Medical expenses	6,050	5,425
	Printing, stationery and publications	8,252	7,836
	Insurance	4,674	1,964
	Travelling expenses	3,807	5,902
	Motor vehicle running expenses	10,554	9,391
	Rent, repairs and maintenance	29,836	25,435
	Auditor's remuneration - note 26.1	4,809	3,021
	Legal and professional charges	9,658	6,702
	Stock exchange and CDC fee	1,593	1,398
	Computer support and maintenance charges	16,912	26,885
	Donation*	225	-
	Other expenses	3,723	3,730
		304,677	315,261
	Less: Amount allocated to field expenses	165,108	193,113
		139,569	122,148

* No director or his spouse had any interest in the donee institutions.

		2015	2014
26.1	**Auditor's remuneration:**		
	Statutory audit	1,397	1,331
	Review of half yearly accounts, audit of consolidated accounts, staff funds, special certifications	792	1,007
	Tax services	2,400	450
	Out of pocket expenses	220	233
		4,809	3,021
27.	**FINANCE COSTS**		
	Provision for decommissioning cost - note 9.2		
	- Unwinding of discount	753,253	655,759
	- Exchange (gain)/loss	230,613	(3,332)
	Banks' commission and charges	3,062	1,503
		986,928	653,930
28.	**OTHER CHARGES**		
	Workers' Profit Participation Fund	598,105	916,979
	Workers' Welfare Fund		
	- Current year	194,897	223,376
	- Prior year	(307,430)	-
		485,572	1,140,355

	2015	2014
	Rupees ('000)	
29. OTHER INCOME		
Income from financial assets		
Income on bank deposits	481,147	433,779
Income on held-to-maturity investments	48,708	18
Exchange gain on financial assets	164,832	229,413
Income from investments in subsidiary and associated companies		
Dividend from subsidiary and associated companies - note 29.1	289,546	647,204
Income from assets other than financial assets		
Rental income (net of related expenses Rs 57,823 thousand; 2014: Rs 40,584 thousand)	221,367	175,971
Crude oil/gas transportation income (net of related expenses Rs 124,806 thousand; 2014: Rs 79,420 thousand)	188,316	146,276
Gas processing fee	122,973	153,335
Profit on sale of property, plant and equipment	12,971	7,582
Sale of stores and scrap	24,436	22,841
Others	8,858	6,711
	1,563,154	1,823,130

29.1 Dividend from subsidiary and associated companies

	2015	2014
Subsidiary company		
CAPGAS (Pvt) Limited	42,171	27,196
Associated companies		
National Refinery Limited	-	299,875
Attock Petroleum Limited	247,375	320,133
	289,546	647,204

30. PROVISION FOR TAXATION

	2015	2014
Current	3,568,568	3,996,239
Deferred	(537,950)	323,176
	3,030,618	4,319,415

		2015	2014
		Rupees ('000)	
30.1	**Reconciliation of tax charge for the year**		
	Accounting profit	11,489,493	17,206,809
	* Tax at applicable tax rate of 52.48% (2014: 53.56%)	6,029,686	9,215,967
	Tax effect of depletion allowance and royalty payments	(3,014,188)	(4,180,015)
	Tax effect of income that is not taxable or taxable at reduced rates	(211,223)	(573,022)
	Other	226,343	(143,515)
	Tax charge for the year	3,030,618	4,319,415

* The applicable tax rate is the weighted average of tax rates applicable to income from oil and gas concessions and income from other activities.

31. OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company is disclosed in note 23.

Revenue from two major customers of the Company constitutes 58% of the total revenue during the year ended June 30, 2015 (June 30, 2014: 67%).

32. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statement in respect of remuneration, including benefits and perquisites to the chief executive, directors and executives of the company are given below:

	Chief Executive		Executives	
	2015	2014	2015	2014
	Rupees ('000)		Rupees ('000)	
Managerial remuneration	6,920	6,535	116,602	102,623
Bonus	4,901	3,844	69,507	51,066
Housing, utility and conveyance	5,303	4,832	123,477	104,425
Company's contribution to pension, gratuity and provident funds	-	-	48,381	42,171
Leave passage	1,025	1,025	15,029	14,894
Other benefits	4,036	3,798	34,485	28,486
	22,185	20,034	407,481	343,665
No. of persons, including those who worked part of the year	1	1	105	97

In addition to remuneration, the Chief Executive and certain executives were provided with use of the Company's cars and residential telephone facilities. The Company also provides medical facilities to its staff.

Directors and the Chief Executive of the Company were paid meeting fee aggregating Rs 4,168 thousand (2014: Rs 5,932 thousand) based on actual attendance.

Remuneration of executives is net of charge to subsidiary and associated companies of Rs 20,369 thousand (2014: Rs 19,414 thousand).

33. FINANCIAL INSTRUMENTS

33.1 Financial assets and liabilities

	Loans and recievables	Available-for-sale Investments	Total
		Rupees ('000)	
June 30, 2015			
Financial assets			
Maturity up to one year			
Trade debts	3,476,993	-	3,476,993
Advances, deposits and other receivables	1,323,342	-	1,323,342
Cash and bank balances	10,613,993	-	10,613,993
Maturity after one year			
Other long term investments	-	5,726	5,726
Long term loans and advances	15,636	-	15,636
	15,429,964	5,726	15,435,690

Financial liabilities	Other financial liabilities	Total
	Rupees ('000)	
Maturity up to one year		
Trade and other payables	4,824,746	4,824,746
Maturity after one year		
Long term deposits	724,863	724,863
Provision for decommissioning cost	8,442,955	8,442,955
Provision for staff compensated absences	12,138	12,138
	14,004,702	14,004,702

	Loans and recievables	Available-for-sale Investments	Total
		Rupees ('000)	
June 30, 2014			
Financial assets			
Maturity up to one year			
Trade debts	5,093,725	-	5,093,725
Advances, deposits and other receivables	826,840	-	826,840
Cash and bank balances	10,826,321	-	10,826,321
Maturity after one year			
Other long term investments	-	5,485	5,485
Long term loans and advances	16,196	-	16,196
	16,763,082	5,485	16,768,567

Financial liabilities	Other financial liabilities	Total
	Rupees ('000)	
Maturity up to one year		
Trade and other payables	5,733,199	5,733,199
Maturity after one year		
Long term deposits	638,295	638,295
Provision for decommissioning cost	7,765,490	7,765,490
Provision for staff compensated absences	10,451	10,451
	14,147,435	14,147,435

33.2 Credit quality of financial assets

The credit quality of Company's financial assets have been assessed below by reference to external credit ratings of counterparties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2015	2014
		Rupees ('000)	
Available for sale investments			
Counterparties with external credit rating	A M 2	1,660	1,639
	AA	3,474	490
	A A +	-	554
	A A A	592	2,802
		5,726	5,485
Trade debts			
Counterparties with external credit rating	A 1 +	2,251,065	5,041,757
	A 2 +	22,279	
	A 1	1,092,475	
Counterparties without external credit rating			
Existing customers/ joint operating partners with no default in the past		111,174	51,968
		3,476,993	5,093,725
Advances, deposits and other receivables			
Counterparties with external credit rating	A 1 +	88,886	138,345
	A 1	-	181
Counterparties without external credit rating			
Existing customers/ joint operating partners with no default in the past		740,389	203,599
Receivable from employees/ employee benefit plans		250,495	47,717
Receivable from parent company		38,061	68,301
Others		205,511	368,697
		1,323,342	826,840
Bank balances			
Counterparties with external credit rating	A 1 +	10,609,905	10,547,310
	A 1	317	191,836
	A 2	25	24
	A 3	944	85,379
		10,611,191	10,824,549
Long term loans and advances			
Counterparties without external credit rating			
Receivable from employees		15,636	16,196

33.3 FINANCIAL RISK MANAGEMENT

33.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rates risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

(a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

As of June 30, 2015, trade debts of Rs 758,918 thousand (2014: Rs 261,895 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2015	2014
	Rupees ('000)	
Due from related parties		
Up to 3 months	217,926	99,550
3 to 6 months	24,214	7,181
6 to 12 months	41,041	32,228
Above 12 months	55,341	41,687
	338,522	180,646
Due from others		
Up to 3 months	245,898	31,087
3 to 6 months	49,106	15,957
6 to 12 months	37,028	12,820
Above 12 months	88,364	21,385
	420,396	81,249
	758,918	261,895

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities. At June 30, 2015, the Company had financial assets of Rs 15,435,690 thousand (2014: Rs 16,768,567 thousand).

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the maturity date. The amounts disclosed in the table are undiscounted cash flows which have been inflated using appropriate inflation rate, where applicable.

	Less than 1 year	Between 1 to 5 years	Over 5 years
		Rupees ('000)	
At June 30, 2015			
Long term deposits	-	724,863	-
Provision for decommissioning cost	-	8,659,847	3,144,193
Provision for staff compensated absences	-	12,138	-
Trade and other payables	4,824,746	-	-
At June 30, 2014			
Long term deposits	-	638,295	-
Provision for decommissioning cost	-	7,226,120	7,019,576
Provision for staff compensated absences	-	10,451	-
Trade and other payables	5,733,199	-	-

(c) Market risk

(i) Currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from currency exposure with respect to the US dollar. Currently foreign exchange risk is restricted to trade debts, bank balances, receivable from/ payable to joint operating partners, payable to suppliers and provision for decommissioning cost.

Financial assets include Rs 9,930,685 thousand (2014: Rs 9,383,782 thousand) and financial liabilities include Rs 9,422,605 thousand (2014: Rs 8,320,576 thousand) which are subject to currency risk.

If exchange rates had been 10% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs 34,041 thousand higher/lower (2014: Rs 70,172 thousand higher/lower).

(ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets include Rs 10,574,104 thousand (2014: Rs 10,683,131 thousand) and financial liabilities include Rs 8,442,995 thousand (2014: Rs 7,765,490 thousand) which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

If interest rates had been 1% higher/ lower with all other variables held constant, profit after tax for the year would have been Rs 71,212 thousand (2014: Rs 58,877 thousand) higher/ lower, mainly as a result of higher/ lower interest income from these financial assets.

(iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet as available for sale. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the investment policy of the Company.

Available for sale investments include Rs 5,726 thousand (2014: Rs 5,485 thousand) which were subject to price risk.

33.3.2 Capital risk management

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The gearing ratio of the Company has always been low and the Company has mostly financed its projects and business expansions through equity financing. Further, the Company is not subject to externally imposed capital requirements.

33.3.3 Fair value of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs ; and
- Level 3 : Unobservable inputs

The company held the following financial assets at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees ('000)			
June 30, 2015				
Other long term investments				
Available-for-sale investment	5,726	-	-	5,726
June 30, 2014				
Other long term investments				
Available-for-sale investment	5,485	-	-	5,485

34. STAFF RETIREMENT BENEFITS

The details of actuarial valuation of defined benefit funded plans carried out as at year end are as follows:

34.1 The amounts recognized in the balance sheet are as follows:

	2015	2014
	Rupees ('000)	
Present value of defined benefit obligations	1,392,170	1,279,064
Fair value of plan assets	(1,360,238)	(1,277,120)
	31,932	1,944
Amounts in the balance sheet:		
Gratuity Fund-(Asset)	(14,268)	(21,993)
Management Staff Pension Fund-Liability	46,200	23,937
Net liability	31,932	1,944

34.2 The amounts recognized in the profit and loss account are as follows:

	2015	2014
Current service cost	31,795	32,111
Past service cost	-	37,390
Net interest cost	(4,640)	6,197
	27,155	75,698

34.3 Changes in the present value of defined benefit obligation are as follows:

	2015	2014
Opening defined benefit obligation	1,279,064	1,120,439
Current service cost	31,795	32,111
Past service cost	-	37,390
Interest cost	158,498	129,001
Measurement	42,517	(8,913)
Benefits paid	(119,704)	(91,737)
Transfer	-	60,773
Closing defined benefit obligation	1,392,170	1,279,064

34.4 Changes in fair value of plan assets are as follows:

	2015	2014
Opening fair value of plan assets	1,277,120	1,124,953
Interest income	163,138	122,804
Measurement	(35,585)	(2,411)
Contribution by employer	75,269	62,737
Contribution by AOC	-	54,826
Benefits paid	(119,704)	(91,737)
Transfer	-	5,948
Closing fair value of plan assets	1,360,238	1,277,120

34.5 The major categories of plan assets as a percentage of total plan assets of defined pension and gratuity plan are as follows:

	2015		2014	
	Rupees ('000)	%	Rupees ('000)	%
Government bonds	843,915	62	120,422	9
National savings deposits	20,726	2	20,126	2
Unit trusts	-	-	14,879	1
Cash and cash equivalents	519,841	38	1,124,121	88
Benefits due	(12,717)	(1)	-	-
Allocated to holding company	(11,527)	(1)	(2,428)	-
	1,360,238	100	1,277,120	100

Government bonds are valued at quoted market price and are therefore level 1. Cash equivalents and National Savings deposits include level 2 assets.

Both funds covered were invested within limits specified by regulations governing investment of approved retirement funds in Pakistan. The funds have no investment in the company's own securities.

34.6 Principal actuarial assumptions

The principal assumptions used in the actuarial valuation are as follows:

	2015	2014
	%	%
Discount rate	10.00	13.00
Expected rate of salary increase	8.00	10.75
Expected rate of pension increase	4.75	7.50

34.7 Mortality was assumed to be 70% of the EFU(61-66) Table at valuations on both dates, June 30, 2014 and 2015.

34.8 The pension and gratuity plans are defined benefits final salary plans both plans are invested through approved trust funds. The trustees of the funds are responsible for plan administration and investment. The Company appoints the trustees who are employees of the Company.

The plans expose the Company to various actuarial risks: investment risk and salary risk from both plans and longevity risk from the pension plan.

The asset ceiling does not apply. The Company can use the surplus in the pension and gratuity fund to reduce its future contributions or can apply to the Commissioner of Income Tax for a refund.

34.9 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased/ (decreased) as a result of a change in respective assumptions by one percent.

	Defined benefit obligation	
	1 percent increase	1 percent decrease
Discount rate	(109,945)	130,162
Salary increase	31,534	(28,708)
Pension increase	99,154	(86,185)

If life expectancy increases by 1 year, the obligation increases by Rs 35,190 thousand.

The impact of changes in financial assumptions has been determined by revaluation of the obligations on different rates. The impact of increase in longevity has been calculated on the aggregate for each class of employees.

34.10 The weighted average number of the defined benefit obligation is given below:

Plan Duration	Pension	Gratuity
Years		
June 30, 2015	11.6	4.3
June 30, 2014	11.9	4.6

34.11 The Company contributes to the pension and gratuity funds on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit.

Projected payments	Pension	Gratuity
	Rupees ('000)	
Contributions FY 2016	27,701	11,611
Benefit payments:		
FY2016	66,875	58,484
FY 2017	72,764	74,484
FY 2018	78,804	61,693
FY 2019	85,250	69,803
FY 2020	89,566	44,034
FY 21-25	527,383	168,529

35. EARNINGS PER SHARE - BASIC AND DILUTED

	2015	2014
Profit for the year (in thousand rupees)	8,458,875	12,887,394
Weighted average number of ordinary shares in issue during the year (in thousand shares)	236,546	236,546
Basic and diluted earnings per share (Rupees)	35.76	54.48

36. TRANSACTIONS WITH RELATED PARTIES

Aggregate transactions with related parties, other than remuneration to the chief executive, directors and executives of the Company under their terms of employment, were as follows:

	2015	2014
	Rupees ('000)	
Parent company - The Attock Oil Company Limited		
Purchase of petroleum products	38,747	59,170
Purchase of services	23,914	22,791
Subsidiary company - CAPGAS (Private) Limited		
Sale of services	18,475	14,115
Purchase of services	5,418	5,713
Associated companies		
Attock Refinery Limited		
Sale of crude oil and gas	10,363,046	15,463,704
Crude oil and gas transmission charges	1,478	6,182
Sale of services	4,492	4,543
Purchase of LPG	215,882	539,423
Purchase of fuel	12,497	12,310
Purchase of services	16,351	19,707
National Refinery Limited		
Sale of crude oil	2,333,121	2,954,536
Purchase of LPG	255,923	359,918
Purchase of services	761	1,756
Attock Petroleum Limited		
Purchase of fuel and lubricants	556,984	798,671
Purchase of services	365	380
Sale of solvent oil	219,445	319,851
Sale of services	10,595	8,962
Attock Information Technology (Private) Limited		
Purchase of services	29,640	27,800
Attock Cement Pakistan Limited		
Purchase of services	504	13
Attock Hospital (Private) Limited		
Purchase of medical services	8,034	6,587
Attock Leisure Management Association		
Sale of services	-	525
Attock Sahara Foundation		
Purchase of services	6,405	-

	2015	2014
	Rupees ('000)	
Other related parties		
Contribution to staff retirement benefits plans		
Management Staff Pension Fund and Gratuity Fund	75,269	62,737
Approved Contributory Provident Funds	27,243	23,482
Contribution to Workers' Profit Participation Fund	598,105	916,979

37. CASH AND CASH EQUIVALENTS

	2015	2014
	Rupees ('000)	
Cash and cash equivalents comprise		
Cash and bank balances	10,613,993	10,826,321

38. CONTRIBUTORY PROVIDENT FUND

Details of the provident funds based on unaudited financial statements of the funds are as follows:

	2015	2014
	Rupees ('000)	Rupees ('000)
Net assets	772,356	754,397
Cost of investments made	692,759	688,663
%age of investments made	90%	91%
Fair value of investments made	734,755	718,020

	2015		2014	
Breakup of investments - at cost	Rupees ('000)	%age	Rupees ('000)	%age
Term Finance Certificates	925	0.13	925	0.13
Mutual Funds	4,977	0.72	4,977	0.72
Government bonds	544,911	78.66	91,247	13.25
Cash and cash equivalents	141,946	20.49	591,514	85.90
	692,759	100.00	688,663	100.00

Investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for the purpose.

39. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on August 13, 2015 has proposed a final dividend for the year ended June 30, 2015 @ Rs 25 per share, amounting to Rs 5,913,648 thousand for approval of the members in the Annual General Meeting to be held on September 18, 2015.

40. GENERAL

40.1 Capacity

Considering the nature of the Company's business, information regarding capacity has no relevance.

40.2 Number of employees

Total number of employees at the end of the year were 759 (2014: 785). Average number of employees during the year were 787 (2014: 806).

40.3 Date of authorization

These financial statements were authorized for issue by the Board of Directors of the Company on August 13, 2015.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Consolidated Financial Statements

A. F. FERGUSON & CO.

Auditors' Report to the Members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of Pakistan Oilfields Limited and its subsidiary company, CAPGAS (Private) Limited as at June 30, 2015 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on the separate financial statements of Pakistan Oilfields Limited. Financial statements of subsidiary company CAPGAS (Private) Limited have been audited by another firm of chartered accountants and whose report has been furnished to us, which report, without qualifying their opinion, draws attention to contingency referred in note 12 (i) (a) to the consolidated financial statements, which may affect operations of the subsidiary. Our opinion in so far as it relates to the amounts included in respect of this subsidiary company, is based solely on the report of such other auditor. These financial statements are the responsibility of Pakistan Oilfields Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of Pakistan Oilfields Limited and its subsidiary company as at June 30, 2015 and the results of their operations for the year then ended.

A.F.Ferguson & Co.

Chartered Accountants
Islamabad
August 13, 2015

Engagement Partner: M. Imtiaz Aslam

Consolidated Balance Sheet

As at June 30, 2015

	Note	2015	2014
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Equity attributable to owners of POL			
Authorised capital	6	5,000,000	5,000,000
Issued, subscribed and paid up capital	6	2,365,459	2,365,459
Capital reserves	7	536,293	542,886
Revenue reserves	8	31,162,747	34,269,317
Fair value gain on available-for-sale investments		2,059	1,818
		34,066,558	37,179,480
NON-CONTROLLING INTEREST		94,870	86,710
		34,161,428	37,266,190
NON CURRENT LIABILITIES			
Long term deposits	9	875,786	785,560
Deferred liabilities	10	13,835,176	13,711,459
		14,710,962	14,497,019
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	11	4,940,352	5,852,139
Provision for income tax		3,668,106	2,554,159
		8,608,458	8,406,298
CONTINGENCIES AND COMMITMENTS	12		
		57,480,848	60,169,507

	Note	2015	2014
		Rupees ('000)	
FIXED ASSETS			
Property, plant and equipment	13	10,586,000	9,386,258
Development and decommissioning costs	14	12,412,441	13,161,001
Exploration and evaluation assets	15	2,661,303	4,666,461
Other intangible assets	16	9,360	16,380
		25,669,104	27,230,100
LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES	17	11,218,906	11,508,834
OTHER LONG TERM INVESTMENTS	18	5,726	5,485
LONG TERM LOANS AND ADVANCES	19	15,636	16,196
CURRENT ASSETS			
Stores and spares	20	4,276,069	3,663,146
Stock in trade	21	166,109	281,634
Trade debts	22	3,477,782	5,093,846
Advances, deposits, prepayments and other receivables	23	1,756,086	1,276,375
Short term investments	24	126,080	120,342
Cash and bank balances	25	10,769,350	10,973,549
		20,571,476	21,408,892
		57,480,848	60,169,507

The annexed notes 1 to 46 form an integral part of these financial statements.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Consolidated Profit And Loss Account

For the year ended June 30, 2015

	Note	2015	2014
		Rupees ('000)	
SALES		34,427,272	39,057,379
Sales tax		(2,581,945)	(2,495,336)
NET SALES	26	31,845,327	36,562,043
Operating costs	27	(9,518,144)	(8,543,803)
Excise duty		(250,646)	(281,912)
Royalty		(2,609,939)	(3,438,680)
Amortisation of development and decommissioning costs	14	(3,027,074)	(5,200,823)
		(15,405,803)	(17,465,218)
GROSS PROFIT		16,439,524	19,096,825
Exploration costs	28	(4,728,811)	(1,709,863)
		11,710,713	17,386,962
Administration expenses	29	(164,276)	(144,842)
Finance costs	30	(987,734)	(655,241)
Other charges	31	(497,315)	(1,146,121)
		(1,649,325)	(1,946,204)
		10,061,388	15,440,758
Other income	32	1,297,289	1,196,637
		11,358,677	16,637,395
Share in profits of associated companies	17 & 33	1,160,059	545,586
Impairment loss on investment in associated company	17	(1,160,301)	(305,717)
PROFIT BEFORE TAXATION		11,358,435	16,877,264
Provision for taxation	34	(3,088,973)	(4,346,303)
PROFIT FOR THE YEAR		8,269,462	12,530,961
Attributable to:			
Owners of Pakistan Oilfields Limited (POL)		8,220,278	12,506,018
Non - Controlling Interest		49,184	24,943
		8,269,462	12,530,961
Earnings per share attributable to owners of POL - Basic and diluted (Rupees)	41	34.75	52.87

The annexed notes 1 to 46 form an integral part of these financial statements.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Consolidated Statement of Comprehensive Income

For the year ended June 30, 2015

	2015	2014
	Rupees ('000)	
Profit for the year	8,269,462	12,530,961
Other comprehensive income for the year:		
Items that will not be reclassified to profit or loss		
Remeasurement (loss)/gain on staff retirement benefit plans	(79,137)	6,502
Tax credit/(charge) relating to remeasurement gain on staff retirement benefit plans	23,431	(1,951)
	(55,706)	4,551
Share of other comprehensive (loss) of associated companies - net of tax	(42,311)	(10,923)
	(98,017)	(6,372)
Items that may be subsequently reclassified to profit or loss		
Fair value adjustments on available-for-sale investments	241	422
Other comprehensive income for the year, net of tax	(97,776)	(5,950)
Total comprehensive income	8,171,686	12,525,011
Attributable to:		
Owners of Pakistan Oilfields Limited (POL)	8,123,009	12,500,068
Non - Controlling Interest	48,677	24,943
	8,171,686	12,525,011

The annexed notes 1 to 46 form an integral part of these financial statements.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Consolidated Cash Flow Statement

For the year ended June 30, 2015

	Note	2015	2014
		Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		34,131,245	36,995,176
Operating and exploration costs paid		(15,667,398)	(12,197,166)
Royalty paid		(2,820,941)	(3,371,385)
Taxes paid		(2,508,756)	(3,119,308)
Cash provided by operating activities		13,134,150	18,307,317
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets additions		(3,064,421)	(5,416,773)
Proceeds from disposal of property, plant and equipment		14,856	10,804
Proceeds from maturity of PIBs		-	50,000
Income on bank deposits and held-to-maturity investments		585,039	439,730
Dividend received from associated companies		247,375	620,008
Cash used in investing activities		(2,217,151)	(4,296,231)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(11,239,775)	(10,624,257)
Dividend paid to non - controlling interest holders		(40,517)	(26,129)
Cash used in financing activities		(11,280,292)	(10,650,386)
EFFECT OF EXCHANGE RATE CHANGES		164,832	229,413
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(198,461)	3,590,113
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		11,093,891	7,503,778
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	43	10,895,430	11,093,891

The annexed notes 1 to 46 form an integral part of these financial statements.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Consolidated Statement of Changes In Equity

For the year ended June 30, 2015

	Share capital	Capital Reserves: Bonus shares issued by subsidiary/associated companies	Capital Reserves: Special reserve	Revenue reserves: Insurance reserve	Revenue reserves: General reserve	Revenue reserves: Unappropriated profit	Fair value gain on available-for-sale investments	Total	Non-controlling interest	Total
	Attributable to owners of Pakistan Oilfields Limited									
	Rupees ('000)									
Balance at June 30, 2013	2,365,459	50,053	477,008	200,000	3,952,325	28,277,737	1,396	35,323,978	87,896	35,411,874
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	12,506,018	-	12,506,018	24,943	12,530,961
Other comprehensive income	-	-	5,339	-	-	(11,711)	422	(5,950)	-	(5,950)
	-	-	5,339	-	-	12,494,307	422	12,500,068	24,943	12,525,011
Bonus shares issued by an associated company	-	9,701	-	-	-	(9,701)	-	-	-	-
Transferred to general reserve by an associated companies	-	-	-	-	400,000	(400,000)	-	-	-	-
Transferred to special reserve by associated companies	-	-	785	-	-	(785)	-	-	-	-
POL dividends:										
Final dividend @ Rs 25 per share - Year ended June 30, 2013	-	-	-	-	-	(5,913,648)	-	(5,913,648)	-	(5,913,648)
Interim dividend @ Rs 20 per share - Year ended June 30, 2014	-	-	-	-	-	(4,730,918)	-	(4,730,918)	-	(4,730,918)
Dividend to CAPGAS non - controlling interest holders										
Final dividend @ Rs 35 per share - Year ended June 30, 2013	-	-	-	-	-	-	-	-	(11,576)	(11,576)
Interim dividend @ Rs 44 per share - Year ended June 30, 2014	-	-	-	-	-	-	-	-	(14,553)	(14,553)
Total transactions with owners	-	-	-	-	-	(10,644,566)	-	(10,644,566)	(26,129)	(10,670,695)
Balance at June 30, 2014	2,365,459	59,754	483,132	200,000	4,352,325	29,716,992	1,818	37,179,480	86,710	37,266,190
Total comprehensive income for the year:										
Profit for the year	-	-	-	-	-	8,220,278	-	8,220,278	49,184	8,269,462
Other comprehensive income	-	-	-	-	-	(97,510)	241	(97,269)	(507)	(97,776)
	-	-	-	-	-	8,122,768	241	8,123,009	48,677	8,171,686
Transferred from special reserve by associated companies	-	-	(6,593)	-	-	6,593	-	-	-	-
POL dividends:										
Final dividend @ Rs 32.5 per share - Year ended June 30, 2014	-	-	-	-	-	(7,687,742)	-	(7,687,742)		(7,687,742)
Interim dividend @ Rs 15 per share - Year ended June 30, 2015	-	-	-	-	-	(3,548,189)	-	(3,548,189)		(3,548,189)
Dividend to CAPGAS non - controlling interest holders										
Final dividend @ Rs 27.5 per share - Year ended June 30, 2014	-	-	-	-	-	-	-	-	(9,096)	(9,096)
First interim dividend @ Rs 20 per share - Year ended June 30, 2015	-	-	-	-	-	-	-	-	(6,615)	(6,615)
Second interim dividend @ Rs 75 per share - Year ended June 30, 2015	-	-	-	-	-	-	-	-	(24,806)	(24,806)
Total transactions with owners	-	-	-	-	-	(11,235,931)	-	(11,235,931)	(40,517)	(11,276,448)
Balance at June 30, 2015	2,365,459	59,754	476,539	200,000	4,352,325	26,610,422	2,059	34,066,558	94,870	34,161,428

The annexed notes 1 to 46 form an integral part of these financial statements.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Notes to and Forming Part of the Consolidated Financial Statements
For the year ended June 30, 2015

1. LEGAL STATUS AND OPERATIONS

The Company is incorporated in Pakistan as a public limited company and its shares are quoted on all the three Stock Exchanges in Pakistan. The registered office of the Company is situated at Morgah, Rawalpindi. The Company is principally engaged in exploration, drilling and production of crude oil and gas. Its activities also include marketing of liquefied petroleum gas under the brand name POLGAS and transmission of petroleum. The Company is a subsidiary of The Attock Oil Company Limited, UK and its ultimate parent is Bay View International Group S.A.

CAPGAS (Private) Limited (CAPGAS), the subsidiary company is incorporated in Pakistan as a private limited company under the Companies Ordinance, 1984 and is principally engaged in buying, filling, distribution and dealing in Liquefied Petroleum Gas (LPG).

For the purpose of these financial statements, POL and its consolidated subsidiary are referred as the Company.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments and interpretations to existing standards that are not yet effective but have been early adopted by the Company:

IFRS 10	Consolidated financial statements
IFRS 11	Joint arrangements
IFRS 12	Disclosure of interests in other entities
IFRS 13	Fair value measurement
IAS 27	Separate financial statements (revised 2011)
IAS 28	Associates and Joint Ventures (revised 2011)

IFRS 10 'Consolidated Financial Statements'

The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The adoption of the standard does not have any impact on the Company's financial statements.

IFRS 11 'Joint Arrangements'

The standard focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportionate consolidation of joint arrangement is no longer permitted. The company has assessed the classification of its joint arrangement on July 1, 2014 and concluded that the adoption of IFRS 11 did not result in any change in the accounting for its joint arrangements.

IFRS 12 'Disclosure of Interests in Other Entities'

The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The adoption of the standard has resulted in additional disclosures related to company's interest in joint arrangements.

IFRS 13 'Fair Value Measurement'

The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The adoption of the standard has resulted in inclusion of some additional disclosures related to Company's financial assets held at fair value.

IAS 27 'Separate financial statements (Revised 2011)'

The standard deals only with accounting for subsidiaries, associates and Joint ventures in separate financial statements of the parent company. Adoption of this standard does not have any material impact on the Company's financial statements.

IAS 28 'Investment in associated and Joint ventures (Revised 2011)'

The standard set out the requirements of application of equity method of accounting when accounting for investment in associated and Joint ventures. Adoption of this standard does not have any material impact on the Company's financial statements.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments)	July 1, 2016
IFRS 7	Financial Instruments: Disclosures (Amendments)	July 1, 2016
IFRS 14	Regulatory Deferral Accounts	January 1, 2016
IFRS 15	Revenue from Contracts with Customers	January 1, 2017
IAS 1	Presentation of Financial Statements (Amendments)	January 1, 2016
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2016
IAS 19	Employee Benefits (Amendments)	January 1, 2016

		Effective date (annual reporting periods beginning on or after)
IAS 27	Separate Financial Statements (Amendments)	January 1, 2016
IAS 28	Investment in Associates and Joint ventures (Amendments)	January 1, 2016
IAS 34	Interim Financial Reporting (Amendments)	January 1, 2016
IAS 38	Intangible Assets (Amendments)	January 1, 2016
IAS 41	Agriculture (Amendments)	January 1, 2016

The management anticipates that adoption of above standards, amendments and interpretations in future periods will have no material impact on the Company's financial statements other than in presentation / disclosures.

3.3 Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time Adoption of International Financial Reporting Standards
IFRS 9 Financial Instruments

3.4 The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4 Determining whether an arrangement contains lease
IFRIC 12 Service concession arrangements

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except as otherwise disclosed in the respective accounting policies notes.

4.2 Basis of consolidation

The consolidated financial statements include the financial statements of POL and its subsidiary CAPGAS with 51% holding (2014: 51%).

a) Subsidiary

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases.

The assets and liabilities of subsidiary company have been consolidated on a line by line basis and the carrying value of investments held by the parent company is eliminated against the subsidiary shareholders' equity in the consolidated financial statements.

Material intra-group balances and transactions have been eliminated.

Non - controlling interests are that part of the net results of the operations and of net assets of the subsidiary attributable to interests which are not owned by the parent company. Non - controlling interest are presented as a separate item in the consolidated financial statements.

b) Associates

Associates are all entities over which the company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in associates are accounted for using the equity method of accounting. Under this method, the investment is initially recognised at cost, and the carrying amount is increases or decreases to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Company's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit and loss account where applicable.

The Company's share of post-acquisition profit is recognised in the profit and loss account, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with the corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognises the amount adjacent to share of profit/ (loss) of associates in the profit and loss account.

4.3 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has a single reportable segment as the Board of Directors views the Company's operations as one reportable segment.

4.4 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistan Rupees, which is the Company's functional currency.

4.5 Foreign currency transactions and translation

Transactions in foreign currencies are recorded at the rates of exchange ruling on the date of transaction. All assets and liabilities in foreign currencies are translated into rupees at the rates of exchange ruling on the date of the balance sheet. Exchange differences are dealt with through the profit and loss account.

4.6 Taxation

Provision for current taxation is based on taxable income at applicable tax rates, adjusted for royalty payments to the Government.

Deferred tax is accounted for on all temporary differences using the liability method. Deferred tax liability of POL has been calculated at the estimated effective rate of 30% after taking into account availability of future depletion allowance and set off available in respect of royalty payments to the Government where as deferred tax liability of CAPGAS has been calculated at applicable tax rate.

4.7 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

4.8 Provision for decommissioning cost

Provision for decommissioning cost is recognised in full for development wells and production facilities. The amount recognised is the present value of the estimated cost to abandon a well and remove production facilities. A corresponding intangible asset of an amount equivalent to the provision is also created and is amortized on unit of production basis over the total proved developed reserves of the field or @ 5% where the life of a field is more than 20 years.

Most of these abandonment and removal events are many years in the future and the precise requirements that will have to be met when the abandonment and removal event actually occurs are uncertain. Abandonment and asset removal technologies and costs are constantly changing, as are political, environmental, safety and public expectations. Consequently, the timing and amount of future cash flows are subject to significant uncertainty.

The timing and amount of future expenditures are reviewed annually, together with the interest rate to be used in discounting the cash flows.

The effect of changes resulting from revisions to the estimate of the liability are incorporated on a prospective basis.

The decommissioning cost has been discounted at a real discount rate of 2.15% p.a. (2014: 1.08% p.a.). The increase in provision due to unwinding of discount is recorded as finance cost.

4.9 Employee compensated absences

The Company provides for compensated absences for all eligible employees in accordance with the rules of the Company.

4.10 Staff retirement benefits

The Company and its subsidiary operates the following staff retirement benefits plans:

POL

POL operates the following staff retirement benefits plans:

(i) A pension plan for its management staff and a gratuity plan for its management and non-management staff. The pension and gratuity plans are invested through approved trust funds. Both are defined benefit final salary plans. The pension and gratuity plans are complementary plans for management staff. Pension payable to management staff is reduced by an amount determined by the actuary equivalent to amount paid by the gratuity fund. Management staff hired after January 1, 2012 are only entitled to benefits under gratuity fund. Actuarial valuations are conducted annually using the “"Projected Unit Credit Method"” and the latest valuation was conducted as at June 30, 2015.

Actuarial gains and losses arising from experience adjustment and change in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past service costs are recognized immediately in income.

Since both are complementary plans, combined details and valuation for pension plan and gratuity plan are given in note 38.

(ii) Separate approved contributory provident funds for management and non-management employees for which contributions are made by the company and the employee at the rate of 10% of basic salary.

CAPGAS

The subsidiary is operating a non funded gratuity plan for management and non-management employees. The liability for gratuity plan is provided on the basis of actuarial valuation conducted as at June 30, 2015 using the “Project Unit Credit Method”.

4.11 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received.

4.12 Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.13 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for freehold land and capital work in progress, which are stated at cost.

Depreciation is provided on straight line method at rates specified in note 13 to the financial statements. Depreciation is charged on additions from the month the asset become available for the intended use upto the month in which these are derecognized.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Gains and losses on derecognition of assets are included in income currently.

4.14 Intangible assets

These are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is calculated using the straight line method over the period of useful life of the asset at the rates specified in note 16. Costs associated with maintaining intangibles are recognised as expense as and when incurred. Amortisation on additions is charged from the month in which an intangible asset is acquired or capitalised, while no amortisation is charged for the month in which the intangible asset is disposed off.

4.15 Exploration assets / costs and development costs

4.15.1 Exploration and development costs are accounted for using the “Successful Efforts Method” of accounting.

4.15.2 Exploration costs

All exploration costs, other than those relating to exploratory drilling, are charged to income as incurred. Exploratory drilling costs i.e. costs directly associated with drilling of an exploratory well, are initially capitalized pending determination of proven reserves. These costs are either charged to income if no proved reserves are found or transferred to development costs if proved reserves are found.

All capitalized costs are subject to review for impairment at least once a year and any impairment determined is immediately charged to income.

4.15.3 Development costs

Development costs are stated at cost less accumulated amortization and impairment losses. Expenditure on drilling of development wells, including unsuccessful development wells, is capitalized within development costs. Capitalized development costs are amortized on a unit of production basis over the total proved developed reserves of the field or @ 5% per annum where the life of the field is more than 20 years.

4.16 Stores and spares

Stores and spares are valued at cost determined on moving average formula less allowance for obsolete items. Stores in transit are stated at invoice value plus other charges paid thereon.

4.17 Stock in trade

Stocks are valued at the lower of average annual cost (including appropriate production overheads) and net realisable value. Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs necessary to be incurred for its sale.

4.18 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to depreciation and are tested annually for impairment. Assets that are subject to depreciation are reviewed for impairment at each balance sheet date, or wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount for which the asset's carrying amount exceeds its recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date. Reversals of the impairment loss are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no new impairment loss had been recognised. An impairment loss or reversal of impairment loss is recognised in income for the year.

4.19 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of the contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. All financial assets and liabilities other than at fair value through profit or loss assets and liabilities are initially recognised at fair value plus transaction costs. Financial assets and liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are charged to income for the year. These are subsequently measured at fair value, amortised cost or cost, as the case may be. Any gain or loss on derecognition of financial assets and financial liabilities is included in income for the year.

4.20 Financial assets

The Company classifies its financial assets in the following categories: investments at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available for sale investments. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the company commits to purchase or sell the asset.

(i) Investments at fair value through profit or loss

Investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investments are measured at fair value with any resulting gains or losses charged directly to income. The fair value of such investments is determined on the basis of prevailing market prices.

(ii) Held-to-maturity investments

Investments with fixed payments and maturity that the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments and are carried at amortised cost less impairment losses.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise 'Long term loans and advances', 'Trade debts', 'Advances, deposits and other receivables', and 'Cash and bank balances' in the balance sheet. Loans and receivables are carried at amortized cost using the effective interest method less allowance for any uncollectible amounts.

An allowance for uncollectible amounts is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than the credit period specified in sales agreements) are considered indicators that the amount is uncollectible. When the amount is uncollectible, it is written off against the allowance.

(iv) Available-for-sale investments

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Available-for-sale investments are initially recognised at cost and carried at fair value at the balance sheet date. Fair value of a quoted investment is determined in relation to its market value (current bid prices) at the balance sheet date. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques/ Net Asset Values (NAVs) quoted by the respective Asset Management Company. Adjustment arising from remeasurement of investment to fair value is recorded in the statement of comprehensive income and taken to income on disposal of the investment or when the investment is determined to be impaired.

4.21 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

4.22 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to setoff the recognised amounts and the Company intends to settle on a net basis, or realise the asset and settle the liability simultaneously.

4.23 Revenue recognition

Revenue from sales is recognised on dispatch of products to customers. Revenue from services is recognised when the related services are rendered. Effect of adjustment, if any, arising from revision in sale price is reflected as and when the prices are finalized with the customers and/or approved by the Government.

Income on held-to-maturity investments and bank deposits is recognised on time proportion basis using the effective yield method.

Dividend income is recognised when the right to receive dividend is established.

4.24 Joint arrangements

The company has applied IFRS 11 to all joint arrangements as of July 1, 2014. Under IFRS 11 investment in joint arrangement are classified as either joint operations or joint ventures depending on the contractual right and obligations of the parties to the arrangement. The company has assessed the nature of its joint arrangements and determined them to be joint operations. The company has recognized its share of assets, liabilities, income and expenditure jointly held or incurred under the joint operations on the basis of latest available audited accounts of the joint operations and where applicable, the cost statements received from operators of the joint arrangements for the intervening period upto the balance sheet date.

4.25 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value, and finances under mark up arrangements.

4.26 Dividend distribution

Dividend distribution to the shareholders is accounted for in the period in which dividend is declared.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

i) Estimate of recoverable amount of investment in associated companies - note 17

ii) Estimated crude oil/gas reserves used for amortisation of development and decommissioning costs - note 14

iii) Estimated useful life of property, plant and equipment - note 13

iv) Estimated costs and discount rate used for provision for decommissioning cost - note 4.8

v) Estimated value of staff retirement benefits obligations - note 38

vi) Provision for taxation - note 4.6

vii) Price adjustment related to crude oil sales - note 4.23

	2015	2014
	Rupees ('000)	
6. SHARE CAPITAL		
Authorised capital		
500,000,000 (2014: 500,000,000) ordinary shares of Rs 10 each	5,000,000	5,000,000
Issued, subscribed and paid up capital		
Shares issued for cash 20,200,000 (2014: 20,200,000) ordinary shares	202,000	202,000
Shares issued as fully paid bonus shares 216,345,920 (2014: 216,345,920) ordinary shares	2,163,459	2,163,459
236,545,920 (2014: 236,545,920) ordinary shares of Rs 10 each	2,365,459	2,365,459

The Company is a subsidiary of The Attock Oil Company Limited which held 124,776,965 (2014: 124,776,965) ordinary shares at the year end.

	2015	2014
	Rupees ('000)	
7. CAPITAL RESERVE		
Bonus shares issued by subsidiary/associated companies	59,754	59,754
Special reserves - note 7.1	476,539	483,132
	536,293	542,886

7.1 This represents the Company's share of post-acquisition profit set aside as a special reserve by associated companies on account of expansion and modernisation of refineries or to offset against any future loss of Rs 476,341 thousand (2014: Rs 482,947 thousand), as a result of the directive of the Government to divert net profit after tax above 50 percent of paid-up capital and maintenance reserve of Rs 198 thousand (2014: Rs 185 thousand) retained by an associated company to pay for major maintenance expenses in terms of Power Purchase Agreement. Special reserves are not available for distribution.

		2015	2014
		Rupees ('000)	
8.	**REVENUE RESERVES**		
	Insurance reserve - note 8.1	200,000	200,000
	General reserve	4,352,325	4,352,325
	Unappropriated profit	26,610,422	29,716,992
		31,162,747	34,269,317

8.1 The Company has set aside an insurance reserve for self insurance of assets which have not been insured and for deductibles against insurance claims.

		2015	2014
		Rupees ('000)	
9.	**LONG TERM DEPOSITS**		
	Security deposits from distributors against equipment	825,138	734,829
	Security deposits from distributors against distributorship and others	50,648	50,731
		875,786	785,560
10.	**DEFERRED LIABILITIES**		
	Provision for deferred income tax - note 10.1	5,375,557	5,932,718
	Provision for decommissioning cost - note 10.2	8,442,955	7,765,490
	Provision for staff compensated absences	12,138	10,451
	Provision for un-funded gratuity plan - CAPGAS	4,526	2,800
		13,835,176	13,711,459
10.1	**Provision for deferred income tax**		
	The provision for deferred income tax represents:		
	Temporary differences between accounting and tax depreciation/amortisation	5,523,647	6,042,024
	Provision for stores and spares	(84,725)	(69,372)
	Provision for doubtful receivable	(93)	(93)
	Deferred tax on remeasurement loss on staff retirement benefit plans	(63,272)	(39,841)
		5,375,557	5,932,718
10.2	**Provision for decommissioning cost**		
	Balance brought forward	7,765,490	6,623,828
	Revision due to change in estimates	(490,283)	424,635
	Provision during the year	183,882	64,600
	Unwinding of discount	753,253	655,759
	Exchange (gain)/ loss	230,613	(3,332)
		8,442,955	7,765,490

	2015	2014
	Rupees ('000)	
11. TRADE AND OTHER PAYABLES		
Creditors	291,412	473,967
Due to related parties		
Attock Petroleum Limited	-	6,610
Attock Hospital (Pvt) Limited	1,356	705
Attock Information Technology (Pvt) Ltd	315	-
Management Staff Pension Fund	46,200	23,937
Staff Provident Fund	-	2,318
General Staff Provident Fund	1,254	1,364
Workers' Profit Participation Fund - note 11.1	8,524	891,248
Due to joint operating partners		
The Attock Oil Company Limited	19,683	65,280
Others	1,091,620	496,677
Accrued liabilities	2,046,021	2,124,896
Advance payment from customers	62,115	61,581
Royalty	253,449	464,451
Excise duty	2,851	3,644
Workers' Welfare Fund	987,700	1,100,852
Liability for staff compensated absences	4,110	4,645
Unclaimed dividends	117,304	121,148
Others	6,438	8,816
	4,940,352	5,852,139

11.1 Workers' Profit Participation Fund

	2015	2014
Balance at beginning of the year	891,248	776,783
Amount allocated for the year	606,629	921,157
Amount paid to the Fund's trustees	(1,695,000)	(806,692)
Balance at year end	(197,123)	891,248
Less: Receivable balance related to POL shown under other receivables - note 23	(205,647)	-
	8,524	891,248

12. CONTINGENCIES AND COMMITMENTS

(i) Contingencies

POL

	2015	2014
Guarantees issued by banks on behalf of the POL	5,967	9,912

CAPGAS

(a) Out of the total quantity of LPG (i.e. upto 33 M.Tons/day) being received by CAPGAS, 28 M.Ton/day are contributed by a single supplier; of which 5 M.Ton/day is only covered by an agreement between CAPGAS and the Supplier. While for the balance quantity, The Company has no agreement with the Supplier. Further, in the wake of Supplier's decision to auction the quota, CAPGAS on May 24, 2011 has obtained a Stay Order from the Honourable Court with the direction that the Supplier shall continue the bidding process and proceed further in opening the tender; however, it would be subject to determination by Court whether the quota already allocated in terms of the contractual price be preserved. The matter is still pending decision by the Court. Consequently, in case of any stoppage/ decrease in supply of LPG, CAPGAS sales and profit may decrease significantly.

(b) For tax years 2004 through 2009 the Tax Authorities attempted to tax security deposits of Rs. 92.5 million received by CAPGAS as its income which was decided by the Commissioner Inland Revenue (Appeals) CIR(A) in CAPGAS's favour. The Department has approached Appellate Tribunal Revenue against the decision of the CIR(A) which is pending.

(c) The Officer Inland Revenue (OIR) via DCR No. 05/061 dated February 13, 2015 has disallowed tax credit of Rs. 1.78 million for the Tax Year 2004 on the basis that the same pertain to Tax Year 2005. Further, prior year refund adjustments for the Tax Year 2004 have been stated to be out of jurisdiction, making the amount payable via final appeal effect to be Rs. 14.66 million. However, the Company has filed an appeal with CIR (A), who via order dated May 26, 2015 has directed the OIR to adjust the prior year refunds and give proper appeal effect orders.

(d) In response to the CAPGAS's appeal against the charge of additional tax of Rs. 6.4 million for the years 2003-2006, The Commissioner Inland Revenue (Appeals) has directed the assessing officer to follow the direction of ATIR relating to the remand back.

(e) Guarantees and letter of credit issued by the bank on behalf of CAPGAS amounted to Rs. 15.529 million in favour of LPG suppliers. (June 2014: Rs. 15.529 million).

(ii) Capital expenditure commitments outstanding

	2015	2014
	Rupees ('000)	
POL		
Share in joint operations	9,691,246	10,839,663
Own fields	1,647,832	2,840,940
Letter of credit issued by banks on behalf of POL	127,866	315,098

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For the year ended June 30, 2015

		2015	2014
		Rupees ('000)	
(iii)	Company's share in contingencies of associated companies		
	a) Claims not acknowledged as debt by the Company including claims in respect of delayed payment charges by crude oil suppliers	1,132,500	1,132,500
	b) Claims raised on certain Oil Marketing Companies (OMCs) in respect of delayed payment charges not acknowledged as debt by the OMCs	1,267,500	1,267,500
	c) Tax contingency related to proration of expenses against local and export sales for prior years, as per show cause notices of tax department.	-	23,352
	d) Corporate guarantees and indemnity bonds issued by associated companies	283,258	196,397
13.	**PROPERTY, PLANT AND EQUIPMENT**		
	Operating assets - note 13.1	8,363,419	8,384,782
	Capital work in progress - note 13.5	2,222,581	1,001,476
		10,586,000	9,386,258

13.1 Operating assets

	Freehold land	Buildings	Pipelines and pumps	Plant and machinery Field plants	Plant and machinery Rigs	Gas cylinders	Motor vehicles	Chattels	Computer and software development	Total
	Rupees ('000)									
As at July 1, 2013										
Cost	29,733	334,225	1,254,839	6,400,394	519,860	600,973	373,489	117,879	313,898	9,945,290
Accumulated depreciation	-	(144,409)	(551,405)	(3,485,512)	(316,864)	(507,141)	(247,959)	(70,825)	(191,184)	(5,515,299)
Net book value	29,733	189,816	703,434	2,914,882	202,996	93,832	125,530	47,054	122,714	4,429,991
Year ended June 30, 2014										
Opening net book value	29,733	189,816	703,434	2,914,882	202,996	93,832	125,530	47,054	122,714	4,429,991
Additions	2,091	18,485	97,736	4,466,684	58,285	130,017	83,621	11,182	41,791	4,909,892 *
Disposals										
Cost	-	-	(268)	(4,994)	(3,835)	(4,919)	(8,481)	(2,406)	(2,911)	(27,814) *
Depreciation	-	-	248	4,786	3,710	4,447	8,481	2,375	2,911	26,958
	-	-	(20)	(208)	(125)	(472)	-	(31)	-	(856)
Depreciation charge	-	(14,769)	(98,182)	(682,221)	(34,391)	(24,379)	(47,682)	(8,314)	(44,307)	(954,245)
Closing net book value	31,824	193,532	702,968	6,699,137	226,765	198,998	161,469	49,891	120,198	8,384,782
As at July 1, 2014										
Cost	31,824	352,710	1,352,307	10,862,084	574,310	726,071	448,629	126,655	352,778	14,827,368
Accumulated depreciation	-	(159,178)	(649,339)	(4,162,947)	(347,545)	(527,073)	(287,160)	(76,764)	(232,580)	(6,442,586)
Net book value	31,824	193,532	702,968	6,699,137	226,765	198,998	161,469	49,891	120,198	8,384,782
Year ended June 30, 2015										
Opening net book value	31,824	193,532	702,968	6,699,137	226,765	198,998	161,469	49,891	120,198	8,384,782
Additions	-	3,253	507,365	469,324	36,482	127,746	45,985	9,828	67,755	1,267,738 *
Disposals										
Cost	-	-	(18,110)	(4,502)	(1,577)	(8,037)	(3,614)	(2,647)	(5,908)	(44,395) *
Depreciation	-	-	13,770	4,096	1,577	7,971	3,614	2,612	5,908	39,548
	-	-	(4,340)	(406)	-	(66)	-	(35)	-	(4,847)
Depreciation charge	-	(15,404)	(118,183)	(948,050)	(36,250)	(43,665)	(60,724)	(11,099)	(50,879)	(1,284,254)
Closing net book value	31,824	181,381	1,087,810	6,220,005	226,997	283,013	146,730	48,585	137,074	8,363,419
As at June 30, 2015										
Cost	31,824	355,963	1,841,562	11,326,906	609,215	845,780	491,000	133,836	414,625	16,050,711
Accumulated depreciation	-	(174,582)	(753,752)	(5,106,901)	(382,218)	(562,767)	(344,270)	(85,251)	(277,551)	(7,687,292)
Net book value	31,824	181,381	1,087,810	6,220,005	226,997	283,013	146,730	48,585	137,074	8,363,419
Annual rate of Depreciation (%)	-	5	10	10	10	10	20	12.5-20	25	

* Additions and disposals include inter-transfers of assets having book value of Rs 3,038 thousand; cost of Rs 4,179 thousand and depreciation of Rs 1,141 thousand (2014: book value of Rs 20 thousand; cost of Rs 21 thousand and depreciation of Rs 1 thousand).

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13.2 Cost and accumulated depreciation include:

	Cost		Accumulated depreciation	
	2015	2014	2015	2014
	Rupees ('000)		Rupees ('000)	
Share in joint operations operated by the Company	1,410,718	1,395,492	1,135,872	1,052,684
Assets not in possession of the Company				
Share in joint operations operated by others	9,324,426	8,924,734	3,098,668	2,222,024
Gas cylinders - in possession of distributors	779,092	670,241	519,889	490,368
	11,514,236	10,990,467	4,754,429	3,765,076

13.3 The depreciation charge has been allocated as follows:

	2015	2014
Operating costs	1,266,660	937,564
Other income - Crude transportation income	16,091	16,220
Administrative expenses	362	460
Inter-transfers	1,141	1
	1,284,254	954,245

13.4 Property, plant and equipment disposals:

The detail of property, plant and equipment disposals, having net book value in excess of Rs 50,000 is as follows:

	Original cost	Book value	Sale proceeds	Mode of disposal	Particulars of purchaser
	Rupees ('000)				
Motor vehicles	79	60	88	Sold to operated concession	Pindori Concession
Plant and Machinery	14,559	1,642	6,572	Purchaser valuation	Sui Northern Gas Pipeline Limited

13.5 Capital work in progress

	Buildings	Plant and machinery/ Pipelines and pumps	Computers and software development	Total
	Rupees ('000)			
Balance as at July 1, 2013	-	3,432,480	12,186	3,444,666
Additions/ (reversals) during the year	22,110	944,795	(6,384)	960,521
Transfers during the year	(4,397)	(3,394,957)	(4,357)	(3,403,711)
Balance as at June 30, 2014	17,713	982,318	1,445	1,001,476
Balance as at July 1, 2014	17,713	982,318	1,445	1,001,476
Additions during the year	101,827	1,593,996	13,060	1,708,883
Transfers during the year	-	(487,778)	-	(487,778)
Balance as at June 30, 2015	119,540	2,088,536	14,505	2,222,581

13.6 Break up of capital work in progress at June 30 is as follows:

		2015	2014
		Rupees ('000)	
POL			
Own fields		272,650	517,230
POLGAS plant		467,668	20,339
Share in joint operations operated by the company			
	- Ahmadal	5,290	-
Share in joint operations operated by others			
MOL Pakistan Oil and Gas Company B.V.	- TAL Block	89,464	61,161
	- Margala Block	269	269
Oil and Gas Development Company Limited	- Kotra	432,394	232,849
	- Chaknaurang	-	37,695
Pakistan Petroleum Limited	- Adhi	945,583	130,098
CAPGAS		9,263	1,835
		2,222,581	1,001,476

14. DEVELOPMENT AND DECOMMISSIONING COSTS

	Development Cost	Decommissioning Cost	Total
		Rupees ('000)	
As at July 1, 2013			
Cost	26,141,071	3,517,881	29,658,952
Accumulated amortisation	(11,642,382)	(1,406,168)	(13,048,550)
Net book value	14,498,689	2,111,713	16,610,402
Year ended June 30, 2014			
Opening net book value	14,498,689	2,111,713	16,610,402
Additions	1,262,187	64,600	1,326,787
Revision due to change in estimates	-	424,635	424,635
Amortisation for the year	(4,632,080)	(568,743)	(5,200,823)
Closing net book value	11,128,796	2,032,205	13,161,001
As at July 1, 2014			
Cost	27,403,258	4,007,116	31,410,374
Accumulated amortisation	(16,274,462)	(1,974,911)	(18,249,373)
Net book value	11,128,796	2,032,205	13,161,001
Year ended June 30, 2015			
Opening net book value	11,128,796	2,032,205	13,161,001
Additions	1,537,637	183,882	1,721,519
Revision due to change in estimates	-	(490,283)	(490,283)
Well Cost transferred from exploration and evaluation assets - note 15	1,047,278	-	1,047,278
Amortisation for the year	(2,923,016)	(104,058)	(3,027,074)
Closing net book value	10,790,695	1,621,746	12,412,441
As at June 30, 2015			
Cost	29,988,173	3,700,715	33,688,888
Accumulated amortisation	(19,197,478)	(2,078,969)	(21,276,447)
Net book value	10,790,695	1,621,746	12,412,441

		2015	2014
		Rupees ('000)	
15.	**EXPLORATION AND EVALUATION ASSETS**		
	Balance brought forward	4,666,461	2,978,577
	Additions during the year	3,533,112	2,317,579
		8,199,573	5,296,156
	Wells cost transferred to development cost - note 14	(1,047,278)	-
	Dry and abandoned wells cost charged to the profit and loss account - note 28	(4,490,992)	(629,695)
		2,661,303	4,666,461
15.1	**Break up of exploration and evaluation assets at June 30 is as follows:**		
	Own fields - Balkassar	-	18,353
	Share in joint operations operated by the Company		
	- Ikhlas	-	1,866,263
	- Pindori	-	1,324,457
	Share in joint operations operated by others		
	MOL Pakistan Oil and Gas Company B.V. - TAL Block	1,438,274	881,453
	- Margala North	1,023,199	128,906
	Oil and Gas Development Company Limited - Gurgalot	199,830	-
	- Chak Naurang	-	447,029
		2,661,303	4,666,461

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		2015	2014
		Rupees ('000)	
16.	**OTHER INTANGIBLE ASSETS**		
	LPG Quota		
	Written down value	16,380	23,400
	Less: Amortisation for the year	7,020	7,020
		9,360	16,380
	Annual rate of amortization (%) - straight line	20	20
17.	**LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES - EQUITY BASIS**		
	Beginning of the year	11,508,834	11,899,896
	Share of profit of associated companies	1,160,059	545,586
	Share of other comprehensive income of associated companies	(42,311)	(10,923)
	Impairment loss against investment in National Refinery Limited	(1,160,301)	(305,717)
	Dividend received during the year	(247,375)	(620,008)
	End of the year	11,218,906	11,508,834
17.1	**The Company's interest in associates are as follows:**		
	Quoted		
	National Refinery Limited - note 17.2 19,991,640 (2014: 19,991,640) fully paid ordinary shares including 3,331,940 (2014: 3,331,940) bonus shares of Rs 10 each Cost Rs 8,046,635 thousand (2014: 8,046,635 thousand) Quoted market value as at June 30, 2015: Rs 4,639,260 thousand (2014: Rs 4,305,600 thousand)	9,009,832	9,285,116
	Attock Petroleum Limited (APL) - note 17.2 5,820,595 (2014: 5,820,595) fully paid ordinary shares including 2,452,195 (2014: 2,452,195) bonus shares of Rs 10 each Cost Rs 1,562,938 thousand (2014: 1,562,938 thousand) Quoted market value as at June 30, 2015: Rs 3,301,558 thousand; (2014: Rs 3,433,162 thousand)	2,194,541	2,211,377
	Unquoted		
	Attock Information Technology Services (Pvt) Limited (AITSL) 450,000 (2014: 450,000) fully paid ordinary shares of Rs 10 each	14,533	12,341
		11,218,906	11,508,834

All associated companies are incorporated in Pakistan. All associated companies have share capital consisting solely of ordinary shares, which are held directly by the Company. Although the Company has less than 20 percent shareholding in APL and AITSL, these have been treated as associates since the Company has representation on their Board of Directors.

17.2 The tables below provide summarised financial information for associated companies. The information disclosed reflects the amounts presented in the audited financial statements of the relevant associated companies, for the year ended June 30, 2015 (2014: June 30, 2014) and not the reporting entity's share of those amounts.

	National Refinery Limited		Attock Petroleum Limited		Attock Information Technology Services (Pvt) Limited	
	2015	2014	2015	2014	2015	2014
	Rupees ('000)					
Summarised balance sheet						
Current assets	39,901,373	47,465,200	26,123,577	31,248,819	131,692	104,385
Non- current assets	8,161,277	5,310,952	3,788,077	2,837,045	27,458	30,706
Current liabilities	17,162,924	25,801,646	15,747,035	19,704,460	11,504	8,623
Non- current liabilities	766,019	380,867	604,814	581,682	2,319	3,057
Net assets	30,133,707	26,593,639	13,559,805	13,799,722	145,327	123,411
Reconciliation to carrying amounts:						
Net assets as at July 1	26,593,639	26,793,704	13,799,722	14,043,457	123,411	108,554
Profit for the year	3,708,980	961,875	3,286,384	4,326,764	21,916	14,857
Other comprehensive income/(loss)	(168,912)	37,558	(1,181)	(8,579)	-	-
Dividends paid	-	(1,199,498)	(3,525,120)	(4,561,920)	-	-
Net assets as at June 30	30,133,707	26,593,639	13,559,805	13,799,722	145,327	123,411
Company's percentage shareholding in the associate	25%	25%	7%	7%	10%	10%
Company's share in net assets	7,533,427	6,648,410	951,559	968,395	14,533	12,341
Excess of purchase consideration over carrying amount at the date of acquisition	6,371,355	6,371,355	1,242,982	1,242,982	-	-
Proportionate share in carrying value of net assets before impairment	13,904,782	13,019,765	2,194,541	2,211,377	14,533	12,341
Impairment	(4,894,950)	(3,734,649)	-	-	-	-
Carrying amount of investment	9,009,832	9,285,116	2,194,541	2,211,377	14,533	12,341
Summarised statements of comprehensive income						
Net revenue	148,456,509	207,503,258	171,729,782	205,162,911	70,288	59,184
Profit for the year	3,708,980	961,875	3,286,384	4,326,764	21,916	14,857
Other comprehensive income	(168,912)	37,558	(1,181)	(8,579)	-	-
Total comprehensive income	3,540,068	999,433	3,285,203	4,318,185	21,916	14,857
Dividend received from associates	-	299,875	247,375	320,133	-	-

17.3 The carrying value of investment in National Refinery Limited at June 30, 2015 is net of impairment loss of Rs 4,894,950 thousand (2014: Rs 3,734,649 thousand).The carrying value is based on a valuation analysis carried out by an external investment advisor engaged by the Company. The recoverable amount has been estimated based on a value in use calculation. These calculations have been made on discounted cash flow based valuation methodology which assumes a gross profit margin of 2.5% (2014: 3.2%), a terminal growth rate of 4.0% (2014: 4.0%) and a capital asset pricing model based discount rate of 14.34% (2014: 18.62%).

	2015	2014
	Rupees ('000)	
18. OTHER LONG TERM INVESTMENTS		
Available-for-sale investments - note 18.1	5,726	5,485
18.1 Available-for-sale investment - at fair value		
Balance at the beginning of the year	5,485	5,063
Fair value adjustment	241	422
Balance at the end of the year	5,726	5,485

18.1.1 Available-for-sale investments at June 30 include the following:

	2015				2014
	Number of shares/units	Cost less impairment loss	Adjustment arising from remeasurement to fair value	Fair value	Fair value
	Rupees ('000)				
Listed securities:					
Meezan Sovereign Fund	9,706	378	145	523	490
Pakistan Cash Management Fund	11,792	429	163	592	554
IGI Money Market Fund	11,865	862	334	1,196	1,123
Atlas Money Market Fund	1,042	404	121	525	524
UBL Liquidity Plus Fund	12,237	896	334	1,230	1,155
Unlisted securities:					
Atlas Asset Management Company	3,254	698	962	1,660	1,639
		3,667	2,059	5,726	5,485

18.1.2 The fair value of listed securities is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price. The fair values of unlisted securities are the Net Asset Values (NAV) as at June 30, 2015 as quoted by the respective Asset Management Company.

	2015	2014
	Rupees ('000)	
19. LONG TERM LOANS AND ADVANCES, CONSIDERED GOOD		
Executives - note 19.1	17,076	17,547
Other employees	25,464	24,475
	42,540	42,022
Less: Amount due within twelve months, shown under current loans and advances - note 23	26,904	25,826
	15,636	16,196

19.1 Movement in loans to Executives

	Balance as at June 30, 2014	Disbursements	Repayments	Balance as at June 30, 2015
	Rupees ('000)			
Executives	17,547	19,792	(20,263)	17,076

19.2 Loans and advances to employees are for general purpose and for house rent advance which are recoverable in up to 60 and 36 equal monthly installments respectively and are secured by an amount due to the employee against provident fund. These loans and advances are interest free. These do not include any amount receivable from the Chief Executive and Directors. The aggregate maximum amount due from Executives at the end of any month during the year was Rs 19,530 thousand (2014: Rs 21,414 thousand) respectively.

	2015	2014
	Rupees ('000)	
20. STORES AND SPARES		
Stores and spares - note 20.1	4,558,487	3,894,386
Less: Provision for slow moving items - note 20.2	282,418	231,240
	4,276,069	3,663,146
20.1 Stores and spares include:		
Share in joint operations operated by the Company	324,357	333,067
Share in joint operations operated by others (assets not in possession of the Company)	1,799,258	1,429,553
	2,123,615	1,762,620

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		2015	2014
		Rupees ('000)	
20.2	**Provision for slow moving items**		
	Balance brought forward	231,240	203,515
	Provision for the year	51,178	27,725
		282,418	231,240
21.	**STOCK IN TRADE**		
	Crude oil and other products	166,109	281,634

These include Rs 76,942 thousand (2014: Rs 164,985 thousand) being the Company's share in joint operations.

		2015	2014
		Rupees ('000)	
22.	**TRADE DEBTS - Considered good**		
	Due from related parties - note 22.1	1,606,248	2,705,674
	Others	1,871,534	2,388,172
		3,477,782	5,093,846
22.1	**Due from related parties**		
	Associated companies		
	Attock Refinery Limited	1,193,086	1,769,869
	National Refinery Limited	404,619	935,805
	Attock Petroleum Limited	8,543	-
		1,606,248	2,705,674

Ageing analysis of trade debts receivable from related parties is given in note 37.3 to the financial statements.

Notes to and Forming Part of the Consolidated Financial Statements

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	2015	2014
	Rupees ('000)	
23. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances - considered good		
Employees - note 19	26,904	25,826
Suppliers	99,638	154,473
	126,542	180,299
Trade deposits and short term prepayments		
Deposits	257,408	290,546
Short-term prepayments	308,388	271,077
	565,796	561,623
Interest income accrued	12,767	41,399
Other receivables		
Joint Operating partners	580,831	31,988
Due from related parties		
Parent company		
The Attock Oil Company Limited	38,061	68,301
Associated company		
Attock Leisure Management Association	-	48
Staff Provident Fund	3,749	-
Workers Profit Participation Fund - note 11.1	205,647	-
Gratuity Fund - note 38.1	14,268	21,993
Sales tax	164,787	296,184
Other receivables (net of provision for doubtful receivable Rs 310 thousand (2014: Rs 310 thousand))	43,638	74,540
	1,050,981	493,054
	1,756,086	1,276,375
24. SHORT TERM INVESTMENTS		
Held to maturity investments:		
Treasury bills	126,080	120,342
	126,080	120,342

24.1 The effective interest on Treasury bills ranges between 6.62% to 9.96% per annum (2014: 9.41% to 9.96% per annum).

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For the year ended June 30, 2015

		2015	2014
		Rupees ('000)	
25.	**CASH AND BANK BALANCES**		
	Bank balance on		
	Short term deposits	7,545,125	5,783,468
	Interest/mark-up bearing saving accounts	3,182,569	5,046,140
	Current accounts	38,780	141,974
		10,766,474	10,971,582
	Cash in hand	2,876	1,967
		10,769,350	10,973,549

Balance with banks include foreign currency balances of US $ 76,267 thousand (2014: US $ 61,396 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 0.25% to 9.20% (2014: 0.1% to 10.65%).

			2015	2014
			Rupees ('000)	
26.	**NET SALES**			
	Crude oil		16,266,329	21,450,587
	Gas		7,759,984	8,945,263
	POLGAS/CAPGAS - Refill of cylinders		7,618,687	5,853,192
	Solvent oil		188,666	273,377
	Sulphur		11,661	39,624
			31,845,327	36,562,043
27.	**OPERATING COSTS**			
	Operating cost	- Own fields	1,003,839	706,676
		- Share in joint operations	2,671,898	2,610,598
	Well work over		164,606	353,229
	POLGAS/CAPGAS -Cost of gas/LPG, carriage etc.		4,120,089	3,897,397
	Head office and insurance charges		102,551	58,180
	Pumping and transportation cost		65,956	75,023
	Depreciation and amortisation		1,273,680	944,584
			9,402,619	8,645,687
	Opening stock of crude oil and other products		281,634	179,750
	Closing stock of crude oil and other products		(166,109)	(281,634)
			9,518,144	8,543,803

		2015	2014
		Rupees ('000)	
28. EXPLORATION COSTS			
Geological and geophysical cost			
Own fields		1,590	1,750
Share in joint operations operated by the Company			
	- Kirthar South	34,727	45,852
	- Ikhlas	209,210	206,299
	- Pindori	(1,123)	39,951
	- Minwal	7,570	6,921
	- Ahmadal	(2,319)	(4,737)
	- DG Khan - note 28.1	(240,570)	698,625
	- Rajanpur	4,438	28,142
Share in joint operations operated by the others			
MOL Pakistan Oil and Gas Company B.V.	- TAL Block	72,296	570
	- Makori West	-	(2,547)
	- Kot - 1	-	11,846
	- Margala Block	17,448	6,816
	- Margala North Block	75,261	23,295
	- Malgin	42,554	-
Oil and Gas Development Company Limited	- Kotra	1,672	2,855
	- Gurgalot	13,236	10,194
	- Chak Naurang	1,041	2,834
Pakistan Petroleum Limited	- Adhi	788	1,502
		237,819	1,080,168
Dry and abandoned wells cost - note 15			
Share in joint operations operated by the Company			
	- Pindori	2,008,999	-
	- Ikhlas	1,861,348	-
Share in Joint Ventures operated by others			
MOL Pakistan Oil and Gas Company B.V.	Malgin	620,645	-
	- Kot - 1	-	629,695
		4,490,992	629,695
		4,728,811	1,709,863

28.1 This represents reversal due to assignment of working interest in D.G.Khan Petroleum Concession by the Company during the year to MOL Pakistan Oil and Gas Company B.V.

	2015	2014
	Rupees ('000)	
29. ADMINISTRATION EXPENSES		
Establishment charges	223,822	234,385
Telephone and telex	1,263	1,223
Medical expenses	6,050	5,425
Printing, stationery and publications	8,325	7,902
Insurance	4,714	2,002
Travelling expenses	4,126	6,124
Motor vehicle running expenses	10,637	9,462
Rent, repairs and maintenance	29,836	25,435
Auditor's remuneration - note 29.1	4,809	3,021
Legal and professional charges	11,141	8,587
Stock exchange and CDC fee	1,593	1,398
Computer support and maintenance charges	16,912	26,885
Depreciation	362	460
Donation*	225	-
Other expenses	5,569	5,646
	329,384	337,955
Less: Amount allocated to field expenses	165,108	193,113
	164,276	144,842

* No director or his spouse had any interest in the donee institutions.

	2015	2014
	Rupees ('000)	
29.1 Auditor's remuneration:		
Statutory audit	1,397	1,331
Review of half yearly accounts, audit of consolidated accounts, staff funds, special certifications	792	1,007
Tax services	2,400	450
Out of pocket expenses	220	233
	4,809	3,021

	2015	2014
30. FINANCE COSTS		
Provision for decommissioning cost - note 10.2		
- Unwinding of discount	753,253	655,759
- Exchange (gain)/ loss	230,613	(3,332)
Banks' commission and charges	3,868	2,814
	987,734	655,241

	2015	2014
31. OTHER CHARGES		
Workers' Profit Participation Fund	606,629	921,157
Workers' Welfare Fund		
- Current year	198,116	224,964
- Prior year	(307,430)	-
	497,315	1,146,121

	2015	2014
	Rupees ('000)	
32. OTHER INCOME		
Income from financial assets		
Income on bank deposits	493,380	448,358
Income on held-to-maturity investments	63,027	8,429
Exchange gain on financial assets	164,832	229,413
Income from assets other than financial assets		
Rental income (net of related expenses Rs 57,823 thousand; 2014: Rs 40,584 thousand)	219,963	174,567
Crude oil/gas transportation income (net of related expenses Rs 124,806 thousand; 2014: Rs 79,420 thousand)	188,316	146,276
Gas processing fee	122,973	153,335
Profit on sale of property, plant and equipment	13,047	9,948
Sale of stores and scrap	25,052	22,841
Others	6,699	3,470
	1,297,289	1,196,637

33. SHARE IN PROFITS OF ASSOCIATED COMPANIES

Share in profits of associated companies is net of taxation and based on the audited financial statements of the associated companies for the year ended June 30, 2015.

		2015	2014
		Rupees ('000)	
34.	**PROVISION FOR TAXATION**		
	Current		
	- for the year	3,621,676	4,020,690
	- for prior years	1,027	(137)
			3,622,703
	4,020,553		
	Deferred	(533,730)	325,750
		3,088,973	4,346,303
34.1	**Reconciliation of tax charge for the year**		
	Accounting profit	11,358,435	16,877,264
	* Tax at applicable tax rate of 52.67% (2014: 53.95%)	5,982,488	9,105,284
	Tax effect of depletion allowance and royalty payments	(3,014,188)	(4,180,015)
	Tax effect of income that is not taxable or taxable at reduced rates	(210,496)	(573,022)
	Others	330,142	(5,807)
	Tax effect of prior year	1,027	(137)
	Tax charge for the year	3,088,973	4,346,303

* The applicable tax rate is the weighted average of tax rates applicable to income from oil and gas concessions and income from other activities.

35. OPERATING SEGMENTS

The financial statements have been prepared on the basis of a single reportable segment. Revenue from external customers for products of the Company is disclosed in note 26.

Revenue from two major customers of the Company constitutes 56% of the total revenue during the year ended June 30, 2015 (June 30, 2014: 65%).

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statement in respect of remuneration, including benefits and perquisites to the chief executive, directors and executives of the company are given below:

	Chief Executive		Executives	
	2015	2014	2015	2014
	Rupees ('000)		Rupees ('000)	
Managerial remuneration	6,920	6,535	121,470	106,978
Bonus	4,901	3,844	69,507	51,066
Housing, utility and conveyance	5,303	4,832	123,477	104,425
Company's contribution to pension, gratuity and provident funds	-	-	48,381	42,171
Leave passage	1,025	1,025	15,029	14,894
Other benefits	4,036	3,798	45,863	38,581
	22,185	20,034	423,727	358,115
No. of persons, including those who worked part of the year	1	1	107	100

In addition to remuneration, the Chief Executive and certain executives were provided with use of the Company's cars and residential telephone facilities. The Company also provides medical facilities to its staff.

Directors and the Chief Executive of the Company were paid meeting fee aggregating Rs 4,168 thousand (2014: Rs 5,932 thousand) based on actual attendance.

Remuneration of executives is net of charge to associated companies amounting to Rs 7,836 thousand (2014: Rs 6,538 thousand).

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37. FINANCIAL INSTRUMENTS

37.1 Financial assets and liabilities

	Held to Maturity Investments	Loans and recievables	Available-for-sale Investments	Total
	Rupees ('000)			
June 30, 2015				
Financial assets				
Maturity up to one year				
Trade debts	-	3,477,782	-	3,477,782
Advances, deposits and other receivables	-	1,348,060	-	1,348,060
Short term investments	126,080	-	-	126,080
Cash and bank balances	-	10,769,350	-	10,769,350
Maturity after one year				
Other long term investments	-	-	5,726	5,726
Long term loans and advances	-	15,636	-	15,636
	126,080	15,610,828	5,726	15,742,634

Financial liabilities	Other financial liabilities	Total
	Rupees ('000)	
Maturity up to one year		
Trade and other payables	4,878,237	4,878,237
Maturity after one year		
Long term deposits	875,786	875,786
Provision for decommissioning cost	8,442,955	8,442,955
Provision for staff compensated absences	12,138	12,138
Provision for gratuity	4,526	4,526
	14,213,642	14,213,642

	Held to Maturity Investments	Loans and recievables	Available-for-sale Investments	Total
	Rupees ('000)			
June 30, 2014				
Financial assets				
Maturity up to one year				
Trade debts	-	5,093,846	-	5,093,846
Advances, deposits and other receivables	-	850,825	-	850,825
Short term investments	120,342	-	-	120,342
Cash and bank balances	-	10,973,549	-	10,973,549
Maturity after one year				
Other long term investments	-	-	5,485	5,485
Long term loans and advances	-	16,196	-	16,196
	120,342	16,934,416	5,485	17,060,243

Financial liabilities

	Other financial liabilities	Total
	Rupees ('000)	
Maturity up to one year		
Trade and other payables	5,790,558	5,790,558
Maturity after one year		
Long term deposits	785,560	785,560
Provision for decommissioning cost	7,765,490	7,765,490
Provision for staff compensated absences	10,451	10,451
Provision for gratuity	2,800	2,800
	14,354,859	14,354,859

37.2 Credit quality of financial assets

The credit quality of Company's financial assets have been assessed below by reference to external credit ratings of counterparties determined by The Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

	Rating	2015	2014
		Rupees ('000)	
Held-to-maturity investments			
Counterparties without external credit rating			
Securities issued/supported by Government of Pakistan		126,080	120,342
Available for sale investments			
Counterparties with external credit rating	A M 2	1,660	1,639
	AA	3,474	490
	A A A	-	554
	A A +	592	2,802
		5,726	5,485
Trade debts			
Counterparties with external credit rating	A 1 +	2,251,065	5,041,757
	A 2 +	22,279	-
	A 1	1,092,475	-
Counterparties without external credit rating			
Existing customers/ joint venture partners with no default in the past		111,963	52,089
		3,477,782	5,093,846
Advances, deposits and other receivables			
Counterparties with external credit rating	A 1 +	89,147	138,345
	A 1	-	181
Counterparties without external credit rating			
Existing customers/ joint operating partners with no default in the past		761,235	224,445
Receivable from employees/ employee benefit plans		250,568	47,717
Receivable from parent company		38,061	68,301
Others		209,049	371,836
		1,348,060	850,825
Bank balances			
Counterparties with external credit rating	A 1 +	10,730,188	10,659,343
	A +	35,000	35,000
	A 1	317	191,836
	A 2	25	24
	A 3	944	85,379
		10,766,474	10,971,582

`	Rating	2015	2014
		Rupees ('000)	
Long term loans and advances			
Counterparties without external credit rating			
Receivable from employees		15,636	16,196

37.3 FINANCIAL RISK MANAGEMENT

37.3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rates risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

(a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

As of June 30, 2015, trade debts of Rs 759,707 (2014: Rs 262,016 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2015	2014
	Rupees ('000)	
Due from related parties		
Up to 3 months	217,926	99,550
3 to 6 months	24,214	7,181
6 to 12 months	41,041	32,228
Above 12 months	55,341	41,687
	338,522	180,646
Due from others		
Up to 3 months	246,687	31,208
3 to 6 months	49,106	15,957
6 to 12 months	37,028	12,820
Above 12 months	88,364	21,385
	421,185	81,370
	759,707	262,016

`(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and marketable securities. At June 30, 2014, the Company had financial assets of Rs 15,742,634 thousand (2014: Rs 17,060,243 thousand).

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the maturity date. The amounts disclosed in the table are undiscounted cash flows which have been inflated using appropriate inflation rate, where applicable.

	Less than 1 year	Between 1 to 5 years	Over 5 years
		Rupees ('000)	
At June 30, 2015			
Long term deposits	-	875,786	-
Provision for decommissioning cost	-	8,659,847	3,144,193
Provision for staff compensated absences	-	12,138	-
Provision for gratuity plan - CAPGAS	-	4,526	-
Trade and other payables	4,878,237	-	-
At June 30, 2014			
Long term deposits	-	785,560	-
Provision for decommissioning cost	-	7,226,120	7,019,576
Provision for staff compensated absences	-	10,451	-
Provision for gratuity plan - CAPGAS	-	2,800	-
Trade and other payables	5,790,558	-	-

(c) Market risk

(i) Currency risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from currency exposure with respect to the US dollar. Currently foreign exchange risk is restricted to trade debts, bank balances, receivable from/ payable to joint operating partners, payable to suppliers and provision for decommissioning cost.

Financial assets include Rs 9,930,685 thousand (2014: Rs 9,383,782 thousand) and financial liabilities include Rs 9,422,605 thousand (2014: Rs 8,320,576 thousand) which were subject to currency risk.

If exchange rates had been 10% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 34,041 thousand (2014: Rs 70,172 thousand) higher/lower.

(ii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long term interest bearing financial assets and liabilities whose fair value or future cash flows will fluctuate because of changes in market interest rates.

Financial assets include Rs 10,853,774 thousand (2014: Rs 10,949,950 thousand) and financial liabilities include Rs 8,442,955 thousand (2014: Rs 7,765,490 thousand) which are subject to interest rate risk. Applicable interest rates for financial assets have been indicated in respective notes.

If interest rates had been 1% higher/lower with all other variables held constant, profit after tax for the year would have been Rs 72,720 thousand (2014: Rs 60,621 thousand) higher/lower, mainly as a result of higher/lower interest income from these financial assets.

(iii) Price risk

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to equity securities price risk because of investments held by the Company and classified on the balance sheet as available for sale. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the investment policy of the Company.

Available for sale investments include Rs 5,726 thousand (2014: Rs 5,485 thousand) which were subject to price risk.

37.3.2 Capital risk management

The Company's objectives when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The gearing ratio of the Company has always been low and the Company has mostly financed its projects and business expansions through equity financing. Further, the Company is not subject to externally imposed capital requirements.

37.3.3 Fair value of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs ; and
- Level 3 : Unobservable inputs

The company held the following financial assets at fair value;

	Level 1	Level 2	Level 3	Total
		Rupees ('000)		
June 30, 2015				
Other long term investments				
Available-for-sale investment	5,726	-	-	5,726
June 30, 2014				
Other long term investments				
Available-for-sale investment	5,485	-	-	5,485

38. STAFF RETIREMENT BENEFITS

The details of actuarial valuation of defined benefit funded plans carried out as at year end are as follows:

38.1 Funded gratuity and pension plan

38.1.1 The amounts recognized in the balance sheet are as follows:

	2015	2014
	Rupees ('000)	
Present value of defined benefit obligations	1,392,170	1,279,064
Fair value of plan assets	(1,360,238)	(1,277,120)
	31,932	1,944
Amounts in the balance sheet:		
Gratuity Fund (Asset)	(14,268)	(21,993)
Management Staff Pension Fund Liability	46,200	23,937
Net (asset)/ liability	31,932	1,944

38.1.2 The amounts recognized in the profit and loss account are as follows:

	2015	2014
Current service cost	31,795	32,111
Past service cost	-	37,390
Net interest cost	(4,640)	6,197
	27,155	75,698

		2015	2014
		Rupees ('000)	
38.1.3	Changes in the present value of defined benefit obligation are as follows:		
	Opening defined benefit obligation	1,279,064	1,120,439
	Current service cost	31,795	32,111
	Past service cost	-	37,390
	Interest cost	158,498	129,001
	Measurement	42,517	(8,913)
	Benefits paid	(119,704)	(91,737)
	Transfer	-	60,773
	Closing defined benefit obligation	1,392,170	1,279,064
38.1.4	Changes in fair value of plan assets are as follows:		
	Opening fair value of plan assets	1,277,120	1,124,953
	Interest income	163,138	122,804
	Measurement	(35,585)	(2,411)
	Contribution by employer	75,269	62,737
	Contribution by AOC	-	54,826
	Benefits paid	(119,704)	(91,737)
	Transfer	-	5,948
	Closing fair value of plan assets	1,360,238	1,277,120

38.1.5 The major categories of plan assets as a percentage of total plan assets of defined pension plan are as follows:

	2015		2014	
	Rupees ('000)	%age	Rupees ('000)	%age
Government bonds	843,915	62	120,422	9
National savings deposits	20,726	2	20,126	2
Unit trusts	-	-	14,879	1
Cash and cash equivalents	519,841	38	1,124,121	88
Benefits due	(12,717)	(1)	-	-
Allocated to holding company	(11,527)	(1)	(2,428)	-
	1,360,238	100	1,277,120	100

Government bonds are valued at quoted market price and are therefore level 1. Corporate bonds are level 2 assets. Cash equivalents and National Savings deposits include level 2 assets.

Both funds covered were invested within limits specified by regulations governing investment of approved retirement funds in Pakistan. The funds have no investment in the company's own securities.

38.1.6 Principal actuarial assumptions

The principal assumptions used in the actuarial valuation are as follows:

	2015	2014
	%	%
Discount rate	10.00	13.00
Expected rate of salary increase	8.00	10.75
Expected rate of pension increase	4.75	7.50

38.1.7 Mortality was assumed to be 70% of the EFU(61-66) Table at valuations on both dates, June 30, 2015 and 2014.

38.1.8 The pension gratuity plans are defined benefits final salary plans both plans are invested through approved trust funds. The trustees of the funds are responsible for plan administration and investment. The Company appoints the trustees who are employees of the Company.

The plans expose the Company to various actuarial risks: investment risk and salary risk from both plans and longevity risk from the pension plan.

The asset ceiling does not apply. The Company can use the surplus in the gratuity fund to reduce its future contributions or can apply to the commissioner of Income Tax for a refund.

38.1.9 Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased (decreased) as a result of a change in respective assumptions by one percent.

	Defined benefit obligation	
	1 percent increase	1 percent decrease
Discount rate	(109,945)	130,162
Salary increase	31,534	(28,708)
Pension increase	99,154	(86,185)

If life expectancy increases by 1 year, the obligation increases by Rs 35,190 thousand.

The impact of changes in financial assumptions has been determined by revaluation of the obligations on different rates. The impact of increase in longevity has been calculated on the aggregate for each class of employees.

38.1.10 The weighted average number of the defined benefit obligation is given below:

Plan Duration	Pension	Gratuity
Years		
June 30, 2015	11.6	4.3
June 30, 2014	11.9	4.6

38.1.11 The Company contributes to the pension and gratuity funds on the advice of the fund's actuary. The contributions are equal to the current service cost with adjustment for any deficit.

Projected payments	Pension	Gratuity
	Rupees ('000)	
Contributions FY 2016	27,701	11,611
Benefit payments:		
FY2016	66,875	58,484
FY 2017	72,764	74,484
FY 2018	78,804	61,693
FY 2019	85,250	69,803
FY 2020	89,566	44,034
FY 21-25	527,383	168,529

39. INTEREST IN SUBSIDIARY

39.1 CAPGAS is only subsidiary of POL as at June 30, 2015. CAPGAS has share capital consisting solely of ordinary shares that are held directly by POL, and the proportion of ownership interest held equals the voting right held by POL. POL holds 51% (2014: 51%) interest in CAPGAS. There are no significant restrictions on Company's ability to use assets, or settle liabilities of CAPGAS.

39.2 Non-controlling interest

Following is the summarised financial information of CAPGAS that has 49% (2014: 49%) ownership interest held by non-controlling interests. The amounts disclosed are before inter-company eliminations:

	2015	2014
	Rupees ('000)	
Summarised balance sheet		
Current assets	326,807	310,995
Non-current assets	106,651	96,540
Current liabilities	72,410	72,501
Non-current liabilities	167,435	158,075
Net assets	193,613	176,959
Accumulated NCI	94,870	86,710
Summarised statement of comprehensive income		
Net revenue	964,211	1,022,342
Profit for the year	100,376	50,904
Other comprehensive income	(1,035)	-
Total comprehensive income for the year	99,341	50,904
Profit attributable to NCI	49,184	24,943
Total comprehensive income attributable to NCI	48,677	24,943
Dividend paid to NCI	40,517	26,129
Summarised cash flow statement		
Cash flow from operating activities	93,074	49,772
Cash flow from investing activities	781	10,467
Cash flow from financing activities	(79,835)	(46,658)
Net increase in cash and cash equivalent	14,020	13,581

40. INTEREST IN JOINT OPERATIONS

The Company has working interests in the following operated and non operated exploration licenses/leases in Pakistan:

Exploration licenses/Leases	Operator	Working Interest 2015	Working Interest 2014
		%	%
Operated by Pakistan Oilfields Limited			
Ikhlas Petroleum Concession (3372-18)		80.00	80.00
Kirthar South Petroleum Concession (2567-7)		85.00	85.00
D.G. Khan Petroleum Concession (2969-10)		70.00	100.00
Rajanpur Petroleum Concession (2970-5) - note 40.1		-	100.00
Minwal D&P Lease (123/PAK/98)		82.50	82.50
Pariwali D&P Lease (119/PAK/97)		82.50	82.50
Pindori D&P Lease (105/PAK/96)		35.00	35.00
Turkwal D&P Lease (133/PAK/99)		67.37	67.37
Non-operated	Operator		
Gurgalot Petroleum Concession (3371-5)	Oil & Gas Development Company Limited	20.00	20.00
Chaknaurang Mining Lease (125/PAK/98)	Oil & Gas Development Company Limited	15.00	15.00
Jhal Magsi D&P Lease (183/PAK/2009)		24.00	24.00
Adhi Mining Lease (72/PAKISTAN)	Pakistan Petroleum Limited	11.00	11.00
Bhangali D&P Lease (65/PAK/90)	Ocean Pakistan Limited	7.00	7.00
Dhurnal Mining Lease (59/PAKISTAN)	Ocean Pakistan Limited	5.00	5.00
Ratana D&P Lease (94/PAK/94)	Ocean Pakistan Limited	4.55	4.55
Margala Petroleum Concession (3372-20)	MOL Pakistan Oil and Gas	30.00	30.00
Margala North Petroleum Concession (3372-21)	MOL Pakistan Oil and Gas	30.00	30.00
TAL Petroleum Concession (3370-3)	MOL Pakistan Oil and Gas	25.00 *	25.00 *
Manzalai D&Production lease (175/PAK/2007)	MOL Pakistan Oil and Gas		
Makori D&Production lease (184/PAK/2012)	MOL Pakistan Oil and Gas		
Makori East D&Production lease (205/PAK/2013)	MOL Pakistan Oil and Gas		

* Pre-commerciality interest

40.1 Rajanpur Petroleum Concession (2970-5) relinquished with effect from September 10, 2014.

41. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF POL - BASIC AND DILUTED

	2015	2014
Profit for the year attributable to owners of POL (in thousand rupees)	8,220,278	12,506,018
Weighted average number of ordinary shares in issue during the year (in thousand shares)	236,546	236,546
Basic and diluted earnings per share (Rupees)	34.75	52.87

42. TRANSACTIONS WITH RELATED PARTIES

Aggregate transactions with related parties, other than remuneration to the chief executive, directors and executive of the Company under their terms of employment, were as follows:

	2015	2014
	Rupees ('000)	
Parent company - The Attock Oil Company Limited		
Purchase of petroleum products	38,747	59,170
Purchase of services	23,914	22,791
Associated companies		
Attock Refinery Limited		
Sale of crude oil and gas	10,363,046	15,463,704
Crude oil and gas transmission charges	1,478	6,182
Sale of services	4,492	4,543
Purchase of LPG	215,882	539,423
Purchase of fuel	12,497	12,310
Purchase of services	16,351	19,707
National Refinery Limited		
Sale of crude oil	2,333,121	2,954,536
Purchase of LPG	255,923	359,918
Purchase of services	761	1,756
Attock Petroleum Limited		
Purchase of fuel and lubricants	556,984	798,671
Purchase of services	365	380
Sale of solvent oil	219,445	319,851
Sale of services	10,595	8,962

	2015	2014
	Rupees ('000)	
Attock Information Technology (Private) Limited		
Purchase of services	30,614	27,800
Attock Cement Pakistan Limited		
Purchase of services	504	13
Attock Hospital (Private) Limited		
Purchase of medical services	8,295	6,587
Attock Leisure Management Association		
Sale of services	-	525
Attock Sahara Foundation		
Purchase of services	6,510	-
Other related parties		
Contribution to staff retirement benefits plans		
Management Staff Pension Fund and Gratuity Fund	75,269	62,737
Approved Contributory Provident Funds	27,243	23,482
Contribution to Workers' Profit Participation Fund	606,629	921,157

43. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise

	2015	2014
Cash and bank balances	10,769,350	10,973,549
Short term investments - maturing within next three months	126,080	120,342
	10,895,430	11,093,891

44. CONTRIBUTORY PROVIDENT FUND

Details of the provident funds are as follows:

	2015	2014
	Rupees ('000)	
Net assets	772,356	754,397
Cost of investments made	692,759	688,663
%age of investments made	90%	91%
Fair value of investments made	734,755	718,020

	2015		2014	
Breakup of Investment - at cost	Rupees ('000)	%age	Rupees ('000)	%age
Term Finance Certificates	925	0.13%	925	0.13%
Mutual Funds	4,977	0.72%	4,977	0.72%
Government bonds	544,911	78.66%	91,247	13.25%
Cash and cash equivalents	141,946	20.49%	591,514	85.89%
	692,759	100.00%	688,663	100.00%

Investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for the purpose.

45. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in its meeting held on August 13, 2015 has proposed a final dividend for the year ended June 30, 2015 @ Rs 25 per share, amounting to Rs 5,913,648 thousand for approval of the members in the Annual General Meeting to be held on September 18, 2015.

46. GENERAL

46.1 Capacity

Considering the nature of the Company's business, information regarding capacity has no relevance.

46.2 Number of employees

Total number of employees at the end of the year were 776 (2014: 802). Average number of employees during the year were 804 (2014: 823).

46.3 Date of authorization

These financial statements were authorized for issue by the Board of Directors of the Company on August 13, 2015.

Shuaib A. Malik
Chief Executive

Abdus Sattar
Director

Notice of Annual General Meeting

Notice is hereby given that the 64th Sixty Fourth Annual General Meeting (being the 83rd EIGHTY THIRD General Meeting) of the Company will be held on Friday, September 18, 2015 at 1000 hours at Attock House, Morgah, Rawalpindi, to transact the following business: -

ORDINARY BUSINESS

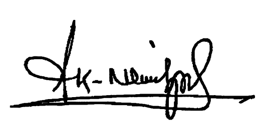
i. To receive, consider and approve the audited accounts of the Company together with the Directors' and Auditors' Reports for the year ended June 30, 2015.

ii. To approve final cash dividend of Rs. 25.00 per share i.e. 250% as recommended by the Board of Directors. It is in addition to the interim cash dividend of Rs. 15.00 per share i.e. 150% already paid to the shareholders, thus making a total cash dividend of Rs. 40.00 per share i.e. 400% for the year ended June 30, 2015.

iii. To appoint auditors for the year ending June 30, 2016 and fix their remuneration. The present auditors Messrs A.F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.

iv. To transact any other business with the permission of the Chairman.

BY ORDER OF THE BOARD



Khalid Nafees
Company Secretary

Registered Office:
POL House,
Morgah, Rawalpindi.
August 28, 2015.

NOTES:

1. CLOSURE OF SHARE TRANSFER BOOKS

The share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from September 11, 2015 to September 18, 2015 (both days inclusive). Transfers received in order at the Registered Office of the Company by the close of business on September 10, 2015 will be treated in time for the purpose of payment of the final cash dividend, if approved by the shareholders.

2. PARTICIPATION IN THE ANNUAL GENERAL MEETING.

A member entitled to attend and vote at this meeting is entitled to appoint another member as his / her proxy to attend and vote. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the time of the meeting.

3. CDC ACCOUNT HOLDERS WILL HAVE TO FOLLOW FURTHER UNDER MENTIONED GUIDELINES AS LAID DOWN BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN.

a. For attending the meeting

i. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per regulations shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii. In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

b. For appointing proxies

In case of individuals, the account holders or sub account holders whose registration details are uploaded as per regulations, shall submit the proxy form as per the above requirements. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form. The proxies shall produce their original CNIC or original passport at the time of the meeting.

In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the company.

4. CONFIRMATION FOR FILING STATUS OF INCOME TAX RETURN FOR APPLICATION OF REVISED RATES PURSUANT TO THE PROVISIONS OF FINANCE ACT, 2015.

Pursuant to the provisions of Finance Act, 2015, Effective July 01, 2015, reforms have been made with regards to deduction of income tax. For cash dividend, the rates of deduction of income tax, under section 150 of the Income Tax Ordinance, 2001 have been revised as follows:

1	Rate of tax deduction for filer of income tax returns	12.50%
2	Rate of tax deduction for non filer of income tax returns	17.50%

In case of joint account, each holder is to be treated individually as either a filer or non filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to the Company by sending following detail on the registered address of the Company and the members who have deposited their shares into Central Depository Company of Pakistan Limited (CDC) are requested to send a copy of detail regarding tax payment status also to the relevant member stock exchange and CDC if maintaining CDC investor account, or if no notification, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/ CDS ID/AC#	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding proportion (No. of Shares)	Name and CNIC No.	Shareholding Poportion (No. of Shares)

The CNIC number / NTN detail is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (FBR) from time to time.

5. PAYMENT OF CASH DIVIDEND ELECTRONICALLY (E- DIVIDEND)

In accordance with the SECP's Circular No. 18 of 2012 dated June 2012, the shareholders have been given an opportunity to authorize the Company to make payment of cash dividend through direct credit to shareholder's bank account. To opt for the dividend mandate option as stated, the Dividend Mandate Form is available at Company's website i.e. www.pakoil.com.pk needs to be dully filled and submitted to the Company on its registered address.

CDC account holders are requested to submit their mandate instruction to the relevant member stock exchange and CDC if maintaining CDC investor account.

6. SUBMISSION OF COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) FOR PAYMENT OF FINAL CASH DIVIDEND 2014-15

Members are requested to provide attested photocopies of their CNIC to the Company on its registered address in order to meet the mandatory requirements of SRO 831 (1) 2012 of 5th July 2012 which provides that the dividend warrant should bear the Computerized National Identity Card (CNIC) number of the registered member.

CDC account holders are requested to submit attested copy of their CNIC to the relevant member stock exchange and CDC if maintaining CDC investor account.

7. CIRCULATION OF ANNUAL AUDITED FINANCIAL STATEMENTS TO SHAREHOLDERS THROUGH EMAIL

The directive of SECP contained in SRO 787(1) 2014 dated September 8, 2014, whereby Securities and Exchange Commission of Pakistan (SECP) has allowed companies to circulate annual balance sheet, profit and loss account, auditor's report and directors' report etc. (Audited Financial Statements) along with notice of annual general meeting (Notice) to its members through e-mail. Members are requested to provide their email addresses on registered address of the Company.

CDC account holders are requested to provide their email addresses to the relevant member stock exchange and CDC if maintaining CDC investor account.

8. CHANGE IN ADDRESS

The members are requested to promptly notify any change in their addresses.

9. Audited accounts of the Company for the year ended June 30, 2015 will be provided on the website www.pakoil.com.pk, at least 21 days before the date of Annual General Meeting.

10. STATEMENT UNDER SECTION 160(1) (B) OF THE COMPANIES ORDINANCE, 1984

In the Fifty Seventh AGM held on October 31, 2008 shareholders approved investment in following associated Companies to the extent of maximum 5% of paid up capital of each Investee Company with overall amount not exceeding Rs 3 billion in addition to the existing investment of 25% in NRL and 7.01 75% in APL.

National Refinery Limited	(NRL)
Attock Refinery Limited	(ARL)
Attock Petroleum Limited	(APL)
Attock Cement Pakistan Limited	(ACPL)

a. Reasons for not having investment made

No investment has been made in associated companies due to excessive involvement in exploration and development activities. The investment will be made in future depending upon the quantum of exploration and development expenditure, improved macroeconomic factors, feasible investment and satisfactory rate of return.

b. Major change in financial position of investee companies since the date of last resolution

Changes in financial position are as follows:

i. Earnings per share

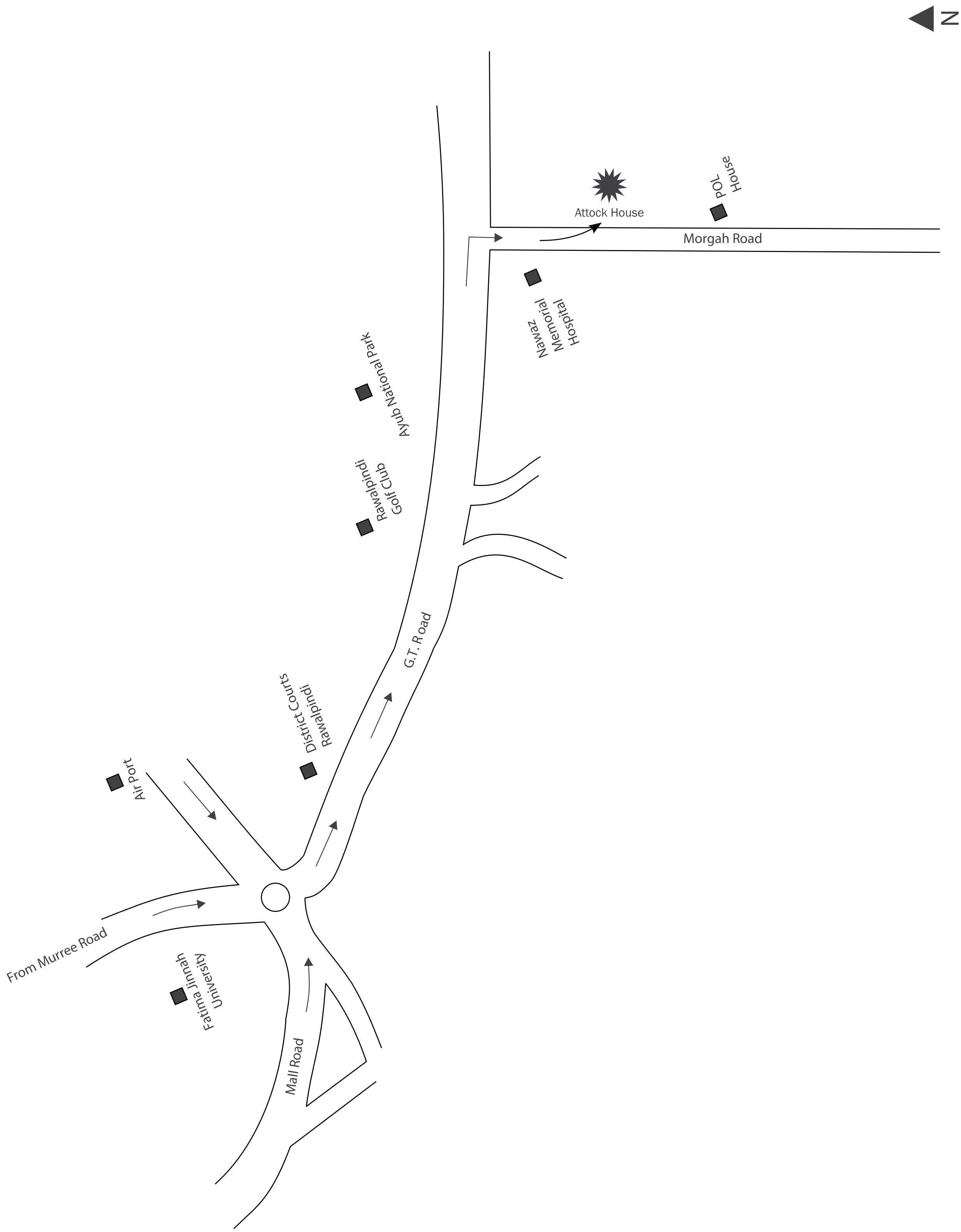
Name of the Company	Jun. 07	Jun. 14	Jun. 15
NRL	63.07	12.03	46.38
ARL	13.17	29.82	21.27
APL	43.22	52.16	39.62
ACPL	11.04	17.59	19.26

ii. Breakup Value per share

Name of the Company	Jun. 07	Jun. 14	Mar. 15*
NRL	184.02	332.56	346.56
ARL	102.24	365.31	379.60
APL	94.99	166.37	147.41
ACPL	47.39	73.75	73.60

*The above figures are based on latest available financial statements.

Location Map for Annual General Meeting



GLOSSARY

2D Seismic	Exploration method of sending energy waves or sound waves into the earth and recording the wave reflections to indicate the type, size, shape, and depth of subsurface rock formations. 3-D seismic provides two dimensional information.
3D Seismic	Exploration method of sending energy waves or sound waves into the earth and recording the wave reflections to indicate the type, size, shape, and depth of subsurface rock formations. 3-D seismic provides three dimensional information.
Acidization	Acidizing refers to the stimulation of a reservoir formation by pumping a solution containing reactive acid to improve the permeability and enhance production of a well.
DST	Drill stem test
Chorgali Formation	Geological Formation
Commingled Gas	Commingled gas is the flow of fluids, originating from two or more pools, in an unsegregated manner to a well measurement meter.
Commercial Risk	Potential losses arising from the trading partners or the market.
Contractual Risk	Probability of loss arising from failure in contract performance.
E & P Companies	Exploration and Production Companies
Exploratory well	A well drilled to find and produce oil or gas in an unproved area, find a new reservoir in a field previously found to be productive in another reservoir, or extend a known reservoir.
G & G	Geological and Geophysical
Hydraulic Fracturing	Fracturing of rock by a pressurized liquid
Hydrocarbon	An organic compound of hydrogen and carbon (i.e., oil, gas, and NGL).
HRMS	Human Resource Management Systems
IOSH	Institution of Occupational Safety and Health
ISO	International Organisation for Standardisation
JVP	Joint Venture Partner
Lockhart Formation	Geological Formation
LPG	Liquefied petroleum gas.
Lumshiwal formations	Geological Formation
MGPF	Makori Gas Processing Facility
Mscf	Million Standard Cubic Feet Per Day
Mtd	Metric Ton Per Day
NEBOSH	National Examination Board in Occupational Safety and Health
NFPA	National Fire Protection Association
OHSAS	Occupational Health & Safety Advisory Services
Operational Risk	Risks resulting from breakdowns in internal procedures, people and systems
Paleocene Reservoirs	Formation Age
PLT	Production Logging Test
PABX	Private Automatic Branch Exchange
Ranikot Formations	Geological Formation
Reservoir	Porous and permeable underground formation that contains a natural accumulation of producible oil or gas. The formation is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.
Samanasuk formation	Geological Formation
Seismic interpretation	To interpret the extent and geometry of rocks in the subsurface from 2D or 3D seismic data
SGS	Societe Generaled Surveillance
Spud	Commencement of actual drilling operations.
Wargal Formation	Geological Formation
Zone	Stratigraphic interval containing one or more reservoirs.

FORM OF PROXY

64th Annual General Meeting

I/We ______________________________ of __________ being a member of Pakistan Oilfields Limited and holder of ______________ ordinary Shares as per share register Folio No. __________ hereby appoint ______________________________ of ________ another member of the company Folio No.__________ (or failing him/her ______________ ________________________ of __________ who is also member of the Company, Folio No. ______________________________

For beneficial owners as per CDC List
CDC Participant I.D. No.______________ Sub-Account No.______________

CNIC No. | | | | | |■| | | | | | | |■| | or Passport No.______________

hereby appoint ______________________of ________________ who is also a member of the Company, Folio No. __________or failing him/her ________________of ______________who is also a member of the Company, Folio No______ as my/our proxy to vote and act for me/our behalf at the SIXTY FOURTH Annual General Meeting of the Company to be held on Friday, September 18, 2015 or at any adjournment thereof.

Five Rupees
Revenue Stamp

____
Signature of Shareholder
(The signature should agree with the specimen registered with the Company)

Dated this ________ day of________ 2015

Signature of Proxy______________

For beneficial owners as per CDC list
Witnesses:

1. Signature ______________
   Name______________
   Address______________
   ____
   CNIC | | | | | |■| | | | | | | |■| |
   or Passport No. ______________

2. Signature ______________
   Name ______________
   Address______________
   ____
   CNIC | | | | | |■| | | | | | | |■| |
   or Passport No. ______________

Note: Proxies, in order to be effective, must be received at the Registered Office of the Company at P.O.L. House, Morgah, Rawalpindi not less than 48 hours before the meeting.

CDC Shareholders and their Proxies are each requested to attach an attested photocopy of their CNIC or Passport with the proxy form before submission to the Company.

The Secretary,
PAKISTAN OILFIELDS LIMITED
POL House, Morgah, Rawalpindi.
Tel: (051) 5487589-97, Fax: (051) 5487598-99

INCOME TAX RETURN FILING STATUS FORM

Confirmation for filing status of income tax return for application of revised rates pursuant to the provisions of Finance Act, 2015.

The Company Secretary
Pakistan Oilfields Limited
POL House, Morgah,
Rawalpindi

I, Mr./Mrs./Ms..............................S/O,D/O,W/O............................. hereby confirm that I am registered as National Tax Payer. My relevant detail is given below:

Folio/CDC ID/AC#	Name	National Tax #	CNIC # (in case of individuals)**	Income Tax return for the year 2014 filed (Yes or No)***

It is stated that the above-mentioned information is correct.

____

Signature of the Shareholder

The Shareholders having their accounts with Central Depository Company (CDC) have also to communicate confirmation of tax payment status information to relevant Member Stock Exchange in addition to the Company Secretary.

**Please attach attested photocopy of the CNIC.
***Please attach attested photocopy of receipt of income tax return.

DIVIDEND MANDATE FORM

To:

*

I, Mr./Mrs./Ms..................................S/O,D/O,W/O...................................... hereby authorize Pakistan Oilfields Limited to directly credit cash dividend declared by it, if any, in the below mentioned bank account.

(i) Shareholder's Detail	
Name of the Shareholder	
Folio No./CDC Participants ID A/C No.	
CNIC No.**	
Passport No. (in case of foreign Shareholder)***	
Land Line Phone Number	
Cell Number	

(ii) Shareholder's Bank Detail	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	

It is stated that the above-mentioned information is correct and that I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

____

Signature of the Shareholder

*The Shareholders having physical shares have to address the Company Secretary POL on the address given below:

The Company Secretary,
Pakistan Oilfields Limited,
POL House, Morgah,
Rawalpindi.

and Shareholders having their accounts with Central Depository Company (CDC) have to communicate mandate information to relevant Member Stock Exchange.

**Please attach attested photocopy of the CNIC.
***Please attach attested photocopy of the Passport

Designed & Produced by: **ASTRAL HATCH INC.** +92 51-8430659

Pakistan Oilfields Limited
POL House, Morgah, Rawalpindi
Tel: (051) 548 7589-97 | Fax: (051) 548 7598-99
Web: www.pakoil.com.pk

Designed & Produced by: **ASTRAL HATCH INC.** +92 51-8430659