

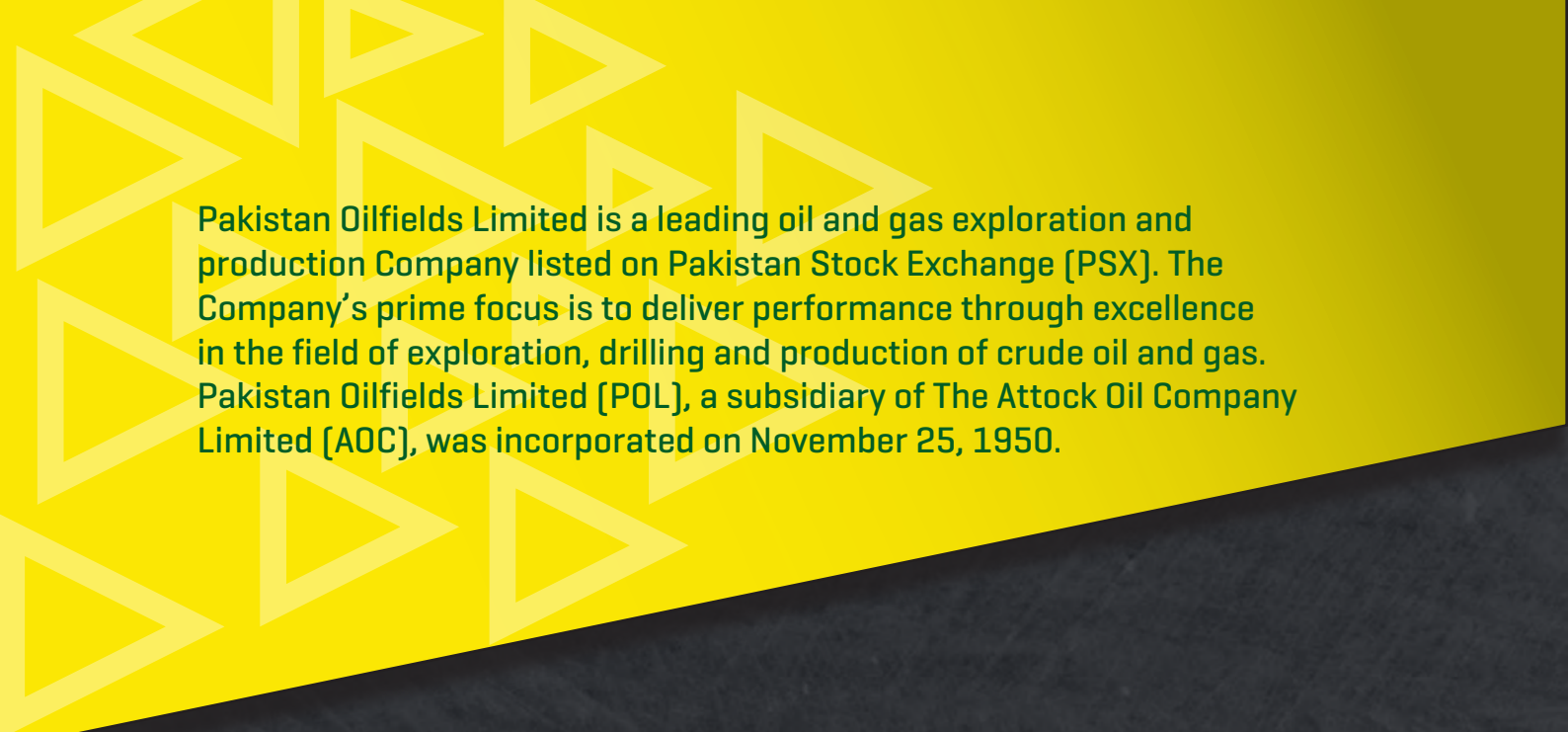
PAKISTAN
OILFIELDS
LIMITED




*MOVING
AHEAD*



2018
ANNUAL REPORT



Pakistan Oilfields Limited is a leading oil and gas exploration and production Company listed on Pakistan Stock Exchange [PSX]. 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

THE COMPANY CONTINUES TO PLAY A VITAL ROLE IN THE OIL AND GAS SECTOR OF THE COUNTRY

[2017: US \$ 332 MILLION]

SAVED FOREIGN EXCHANGE

US \$ 465
MILLION

during the year

[2017: Rs. 8,202 MILLION]

CONTRIBUTION TO THE NATIONAL EXCHEQUER

Rs. 10,714
MILLION

in the shape of royalty and other government levies

NET SALES
(Rs in million)



PROFIT AFTER TAX
(Rs in million)



EARNINGS PER SHARE
(Rs)



EXPLORATION COST

Rs. **2,990**
MILLION

DEVELOPMENT COST

Rs. **2,960**
MILLION

CASH DIVIDEND

Rs. **10,053**
MILLION

BONUS SHARE

20%
1 SHARE FOR EVERY 5 SHARES



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.

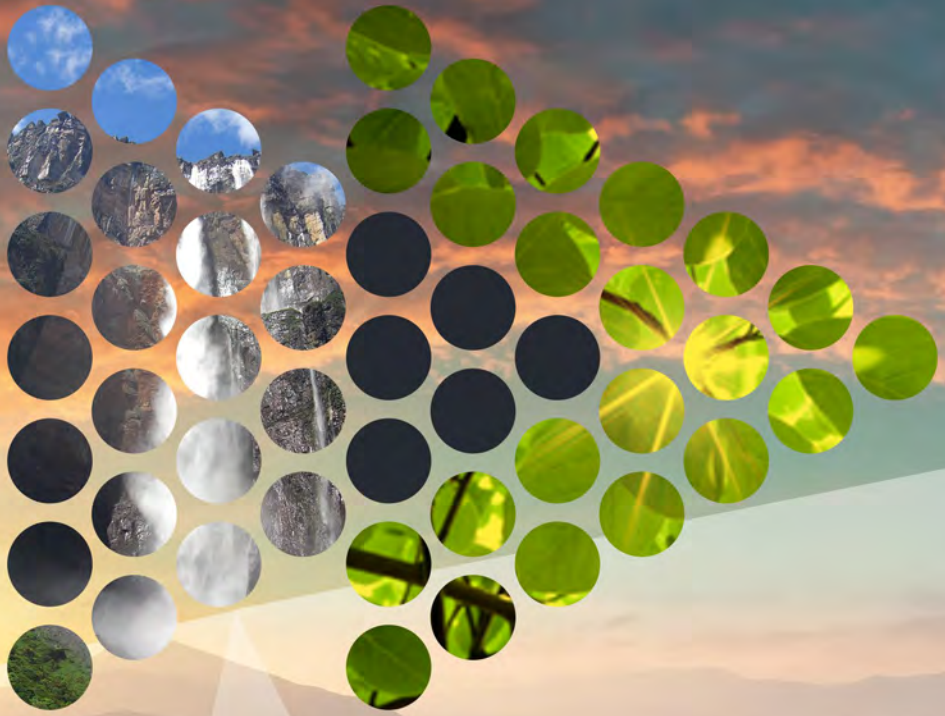




STRATEGY

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 & 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 & 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.



STRATEGIC FOCUS AND FUTURE ORIENTATION

Our focus is to
grow shareholder
value by leveraging
our development
capabilities

Pakistan Oilfields Limited is a full cycle exploration and production company. Our focus is to grow shareholder value by leveraging our development capabilities and balance sheet to deliver high quality projects while maintaining exposure to upside from successful exploration.

The company's strategic objectives were reviewed in the meeting of Directors. A process is already in place whereby long term strategies and annual operational plans established by management are regularly reviewed by the Directors in line with the Company's overall business objectives. Following are the strategic and management objectives:

1. **Exploration & Production:** The main focus in this area is on enhancement of reserves, increase in production and expansion of exploration activities.
2. **POLGAS Marketing:** Focus is on delivering a quality LPG to end consumer in all parts of Pakistan.
3. **Financial:** Focus is on increasing revenues through production enhancement, cost cutting and budgetary control measures along with increasing return to the shareholders.
4. **Internal Controls:** Company's focus in this area is Business process re-engineering to ensure effective controls are in place and enriched management reporting system to improve visibility over key operational areas and to assist the management in strategic decision making.
5. **Stakeholders:** Company is determined to meet expectations of its stakeholders including shareholders, JV partners, employees and Corporate Social Responsibility works for local communities in areas of the Company's operations.

The objectives and targets in each focus area are also classified into short term (<2 years), medium term (2-7 years) and long term (7-12 years).

MANAGEMENT STRATEGIES TO MEET THE OBJECTIVES

For effective monitoring, following measures are adopted by the Management:

- Monthly review meetings of the senior management are held to make adjustments or alterations in course of actions, to achieve the targets within specified time.
- BEACON HR, a POL specific Self Service System has been where Supervisors can manage and develop their teams, assign tasks and record feedback for management review.
- Our strategy and legal obligation is to generate value for our shareholders. Taking consideration the capital needs of the company, offering higher return in the shape of cash dividend to our shareholders from current year profits.
- Key Performance Indicators (KPIs) are used and monitored to compare the overall performance of the Company.

RESOURCE ALLOCATION

Company believes in efficient allocation of all available resources at hand including financial capital, human capital, manufactured capital, intellectual capital and social capital in order to implement and achieve desired strategic / management objectives.

KEY PERFORMANCE INDICATORS

POL measures its performance in line with its strategic objectives of growing the value of the underlying assets of the business and creating significant returns for shareholders in a safe and responsible manner.

FINANCIAL CAPITAL PLANNING

There are no liquidity issues for the company and POL is in strong financial position due to effective strategic management.

FUTURE ORIENTATION

- a) In-depth evaluation of granted Exploration Blocks to identify drillable prospects.
- b) Exploit full potential of own and operated fields and delineation any possible / drillable potential in the already granted D & P Leases.
- c) Evaluation of open acreage to apply for new prospective blocks in the forth coming bidding round.
- d) Search for possible farm-in after in-depth review of Exploration Blocks, with credible companies.
- e) Efforts to farm-out high risk Exploration Blocks.
- f) Extend hydrocarbon exploration activities overseas where technically and economically viable.
- g) Evaluate producing blocks which are being offered for sale in Pakistan and overseas.

SIGNIFICANT CHANGES IN OBJECTIVES AND STRATEGIES FROM THE PREVIOUS YEAR

There has been no significant change in the Company's objectives as strategies are well planned by management. However, actual measureable targets are revised each year taking into consideration different internal and external factors.

FORWARD LOOKING STATEMENT AND FUTURE PLAN

We are driven by our vision to be the leading oil and gas exploration and production company of Pakistan with ever increasing proven hydrocarbon

We are committed to increase the reserves of hydrocarbons and to explore all possible options to optimally produce the proven reserves in economically viable manner. Driven by our vision to be the leading oil and gas Exploration Company of Pakistan. Company is investing substantial amount on exploration/development activities.

3D Seismic Data Acquisition is under progress in Gurgalot block while processing of recently acquired 3D/2D Seismic data in Balkassar, DG Khan and Ratana is under progress. Realizing the importance of good quality seismic data, extensive 3D Seismic Data Acquisition has been planned in TAL, Ikhlas and Turkwal Blocks that would mature/de-risk multiple leads and prospects in these blocks.

Presently two wells are under drilling out of which one well is exploratory. In the year 2018-19 drilling of additional wells are planned in Pindori and Balkassar to explore undrained areas. Success of Adhi South X-1, has opened new corridor for the exploration activities. Drilling of Adhi 33 and 34 development wells are also planned during this year to have additional production from Adhi core area. Similarly, success of Khaur North-1 has also opened new avenues for the Company. In TAL Block, drilling of exploratory well Mamikhel South-01 is also planned during the year 2018-19.

In addition to that capital projects of installation and commissioning of compression facilities in TAL and Adhi Block are under progress. Work on Flow line of Mardankhel-02 wells is also under progress and project is expected to complete in few months.

TRENDS AND UNCERTAINTIES AFFECTING COMPANY'S REVENUE AND OPERATIONS

Oil prices in international market and exchange rates have significant impact on the company's revenue which cannot be predicted reliably as it is based on variable factors. Law and order situation specially in remote KPK areas has resulted in delayed completion of several projects and same challenge would remain in the coming year.

PERFORMANCE RELATED TO FORWARD LOOKING DISCLOSURE MADE IN LAST YEAR.

The company disclosed that efforts were being made for the early connection to the production lines of Makori Deep-01 and Tolanj West-01 discoveries. Both Makori Deep-01 well and Tolanj West Well has been put on production on July 05, 2017 and December 05, 2017 respectively after laying the flow lines.

It was also disclosed that efforts are being made to connect Mardankhel-02 and Mardankhel-03 wells to production facilities on priority. Progress on these two projects was seriously affected due to challenging conditions (community, security, terrain, weather etc.). Work could only be managed at Mardankhe-02 flow line project that is expected to be completed in few months subject to no extended work stoppages. Flow line project of Mardankhel-03 well could not be started due to security clearance.

YEAR | AT A GLANCE



SEPTEMBER 11, 2017
Board of Directors Meeting
503rd Board of Directors Meeting and
Announcement of yearly results




OCTOBER 19, 2017
AGM & Board of Directors Meeting
66th Annual General Meeting of the
Company, 504th Board of Directors
Meeting and Announcement of 1st
quarter results




SEPTEMBER 27, 2017
Jhandial Well-1
Jhandial Well-1, The Largest Oil
& Gas Discovery in Punjab




NOVEMBER 10, 2017
Seismic Data Acquisition
3D Seismic Data Acquisition
Completed in Balkassar D&P Lease.




NOVEMBER 10, 2017
Final Dividend 2016 - 2017
Payment of Final Dividend




JANUARY 24, 2018
Board of Directors Meeting
505th Board of Directors Meeting
and Announcement of half year results




MARCH 30, 2018
Interim Dividend 2017-18
Payment of Interim Dividend 2017-18




APRIL 16, 2018
Board of Directors Meeting
506th Board of Directors Meeting and
Announcement of 3rd quarter results




APRIL 18, 2018
Long Service Award Ceremony



APRIL 19, 2018
LPG Bottling Facility
Commissioning of LPG Bottling
Facility at Dhullian



JUNE 7, 2018
Board of Directors Meeting
507th Board of Directors Meeting for
Budget 2018-19 approval



JUNE 07, 2018
Seismic Data Acquisition
2D Seismic Data Acquisition
Completed in DG Khan Block.

OUR LEGACY

12
13

1936

Oil Discovered at Dhulian

1946

Oil Discovered at Balkassar

1968

Oil Discovered at Meyal

1915

Discovered first commercial oil field at Khaur on the Indian subcontinent

1944

Oil Discovered at Joyamair

1950

POL was incorporated as a Pakistan Oil & Gas Exploration and Production Company on November 25, 1950



JANUARY 4, 1938

PANORAMIC VIEW OF KHAUR OIL FIELD

1994

Oil and Gas discovered at Pariwal

1996

Oil and Gas discovered at Minwal

2005

Acquired National Refinery Limited with 25% share.

1978

Pakistan Oilfields Limited took over AOC's entire exploration, production, processing and oil transmission on November 7, 1978

1995

Re-established Hydrocarbon production at Pindori

1997

Oil and Gas Discovered at Turkwal

2017

Oil and Gas discovered at Ikhlas

CODE OF CONDUCT

PAKISTAN OILFIELDS LIMITED WILL SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES, WITHIN ITS SPHERE OF INFLUENCE, UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

- 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 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 and its customers' confidential information which is disclosed to them.

- Pakistan Oilfields Limited will support a precautionary approach to environmental challenges, 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 gender, 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.

POLICY FOR PROTECTION AGAINST HARASSMENT

POLICY

Pakistan Oilfields Limited (POL) is committed to creating a working environment where people can achieve their full potential. The Company's policy on protection against harassment is designed to provide:

an environment where it is clear that harassment is unacceptable, thereby reducing the chance that harassment will occur in the first instance; and a mechanism to resolve complaints where it is felt that harassment has taken place.

Disciplinary action will be taken to deal with actions or behavior, intentional or unintentional, which results in a breach of this policy.

Disciplinary action may also be taken if allegations of harassment are found to be made with a malicious intent. Harassment is not necessarily confined to the behavior of seniors towards juniors; it can take place between colleagues at the same level or involve staff behaving inappropriately towards more senior staff.

It should be noted that harassment can also lead to civil and criminal claims beyond the Company's own disciplinary proceedings.

EXPLANATION

Definition of harassment

For the purpose of this policy, harassment is defined as any unwelcome conduct or comments which:

violates an individual's dignity, and / or creates an intimidating, hostile, degrading, humiliating or offensive environment.

RESPONSIBILITY OF ALL EMPLOYEES

All employees can help to:

prevent harassment by being sensitive to the reactions and needs of others, and ensuring that their conduct does not cause offence;

discourage harassment by others through making it clear that such conduct is unacceptable, and supporting colleagues and peers who are taking steps to stop the harassment.

The examples given below, which include unacceptable physical and verbal conduct, are not exhaustive.

GENDER-RELATED HARASSMENT

Examples include displaying unacceptable behavior to a man or a woman due to their gender through disparaging gender-related remarks and threatening behavior.

SEXUAL HARASSMENT

Examples include physical contact, unwelcome gender-related jokes, inappropriate use of suggestive visual display unit material, intimidating behavior such as asking for, or offering, gender-based favors in return for issues relating to employment.

RACIAL HARASSMENT

Examples include inappropriate questioning and/or jokes about racial or ethnic origin, offensive comments and intimidating behavior, including threatening gestures.

PERSONAL HARASSMENT

Examples include making fun of personal circumstances or appearance.

Bullying

This can be physical or psychological. Examples of psychological bullying include unmerited criticism, isolation, gossip, essential information withheld, or behavior that is intimidating or demeaning.

HARASSMENT OF DISABLED PEOPLE

Examples include discussion of the effects of a disability on an individual's personal life, uninvited touching or staring, and inappropriate questioning about the impact of someone's disability.

AGE HARASSMENT

Examples include derogatory age-related remarks and unjustifiable dismissal of suggestions on the grounds of the age of the person.

STALKING

This can be physical or psychological. Examples include leaving repeated or alarming messages on voice mail or e-mail, following people home, or approaching others to ask for personal information.

**EMPLOYEES, WHO HAVE BEEN
SUBJECTED TO HARASSMENT, MAY
WRITE DIRECTLY TO THE CHIEF
EXECUTIVE FOR RESOLUTION OF
THEIR CASES.**

GRIEVANCES POLICY

A grievance is defined, as a condition of employment, which the employee feels, is unjust or inequitable. It is the policy of the Company to provide all employees with an opportunity for full consideration of their cases in a situation where the grievance procedure could be applied. A grievance may be presented orally or in writing.

PROCEDURE:

1. In case of any grievance relating to employment, the employee should raise the matter initially with his / her immediate supervisor within a maximum of five (5) working days of the event prompting the grievance. In no case, should the grievance be raised after the expiry of thirty (30) days of the event.
2. Having inquired into an employee's grievance, the immediate supervisor should discuss the issue and make an effort to resolve the matter at the initial level.
3. If the grievance is not or cannot be settled by the immediate supervisor, the employee or the immediate supervisor should, within three (3) working days, present the case to the departmental head. The departmental head should discuss the matter and make all efforts to resolve the issue. A written report is required to be filed with the P&A department as to whether the grievance was resolved or not and confirming the steps taken toward resolution.
4. If the grievance is not or cannot be settled by the departmental head within three (3) working days, the grievance should be presented to the Management Committee, which shall consider all relevant information and take a decision to resolve the problem or give a ruling within three (3) working days of the case being forwarded by P&A.
5. If the decision of the Management Committee is not acceptable to " the employee and any other party concerned, they may then refer the matter in writing to the Chief Executive, who shall decide whether or not to review the case. The CEO's decision shall be final and binding.
6. It should be noted that in the process of attempting to resolve any employee grievance, it is also the obligation of the employee, as a mature individual, to be receptive to suggestions and to make a serious effort to resolve the matter.
7. Employees are expected to exercise this right in a sensible and judicious manner. Misuse of this policy is strongly discouraged.

WHISTLE BLOWING POLICY

This Policy addresses the commitment of the Company to integrity and ethical behavior by helping to foster and maintain an environment where employees can act appropriately, without fear of retaliation. To maintain these standards, the Company encourages its employees who have concerns about suspected serious misconduct or any breach or suspected breach of law or regulation that may adversely impact the Company, to come forward and express these concerns without fear of punishment or unfair treatment.

The Company conducts business based on the principles of fairness, honesty, openness, decency, integrity and respect.

It is the Company's policy to support and encourage its employees to report and disclose improper or illegal activities, and to fully investigate such reports and disclosures.

It is also the policy of the Company to address any complaints that allege acts or attempted acts of interference, reprisal, retaliation, threats, coercion or intimidation against employees who report, disclose or investigate improper or illegal activities (the "Whistleblowers") and to protect those who come forward to report such activities. Company assures that all reports will be treated strictly confidentially and promptly investigated and that reports can be made anonymously, if desired.

The internal control and operating procedures of the Company are in place to detect and to prevent or deter improper activities. However, even the best systems of controls cannot provide absolute safeguards against irregularities. The Company has the responsibility to investigate and report to appropriate parties, allegations of suspected improper activities and to take appropriate actions.

Employees and others are encouraged to use guidance provided by this policy for reporting all allegations of suspected misconduct or improper activities.

GENERAL GUIDANCE

This policy presumes that employees will act in good faith and will not make false accusations when reporting of misconduct. An employee who knowingly or recklessly makes statements or disclosures that are not in good faith may be subject to disciplinary procedures, which may include termination. Employees who report acts of misconduct pursuant to this policy can and will continue to be held to the Company's general job performance standards and adherence to the Company's policies and procedures.

In case of reports sent through e-mail, it is recommended to mark the subject as 'Whistleblower' for ease of identification.

Although the whistleblower is not expected to prove the truth of an allegation, he/she needs to demonstrate to the person contacted that there are sufficient grounds for concern.

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

| 20
21 |

It is the responsibility of everyone working within the company to ensure that wherever we operate:

- We will work within the standards in our Code of Ethics to ensure that all our business practices are conducted with integrity.
- We will treat our employees fairly, complying with the Fundamental Principles and Rights at Work and providing a rewarding environment in which our employees are engaged and developed.
- We will respect our customers and suppliers and aim to treat them honestly and responsibly with consistent standards wherever we operate.
- We will minimize any negative impact on the environment that might be associated with our operations or our products, searching out new ways to conserve natural resources and innovating to improve our products and processes.

POL believes that to be successful as a company it must act responsibly and with integrity in all areas of its activities. POL is committed to its business operations being conducted in a manner that is consistent with relevant good practice in relation to social responsibility.

- We will be a good neighbor. Not just keeping our own house in order but also reaching out to support aid and relate to those in our neighborhood. In particular we will focus on providing educational and academic support and engaging in projects that will benefit our local communities.
- We will seek out opportunities for dialogue with all our stakeholders.
- We will monitor and record our achievements under this policy so that we may continuously improve.

HSE POLICY

Pakistan Oilfields Limited (POL) is fully committed to ensure and promote the highest degree of safe and healthy working environment in the entire organization. Our employees are our most important asset and we consider them the critical element for the success of our safety programme. POL recognizes that safe operations depend not only on technically sound plant and equipment but also on competent people and an active HSE culture, and that no activity is so important that it cannot be done safely.

To achieve this objective; we aim to

- Ensure that all relevant health, safety and environment procedures/ work instructions are developed and implemented.
- Strive to prevent injuries, ill health and property loss through hazards identification, risk assessments of all activities and processes.
- Ensure that all safety rules and regulations are obeyed and protective equipment is used wherever it is necessary and specified.
- Manage our operations in compliance with all applicable environmental laws and regulations
- Manage hazardous gas emissions, effluents and waste materials through the latest equipment and technologies



to ensure a conducive environment for our employees and the local inhabitants including flora and fauna.

- Adhere to health practices which match international standards. Accordingly we invest in improving health facilities and eliminate occupational health hazards for our employees, neighbors, customer and markets where we operate.
- This policy shall be reviewed periodically to ensure that it remains relevant and appropriate to Pakistan Oilfields Limited.

“Our employees are our most important asset and we consider them the critical element for the success of our safety programme.”

CORPORATE INFORMATION

DIRECTORS

MR. LAITH G. PHARAON
Chairman
Attock Group of Companies
Alternate director:
Mr. Bilal Ahmad Khan

MR. WAE L G. PHARAON
Alternate Director:
Mr. Babar Bashir Nawaz

MR. SAJID NAWAZ
MR. ABDUS SATTAR
MR. TARIQ IQBAL KHAN
MR. NIHAL CASSIM

MR. SHUAIB A. MALIK
Chairman & Chief Executive

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

AUDIT COMMITTEE

Mr. Abdus Sattar
Chairman

Mr. Babar Bashir Nawaz
Member

Mr. Nihal Cassim
Member

Mr. Tariq Iqbal Khan
Member

Mr. Bilal Ahmad Khan
Member

COMPANY SECRETARY / CFO

Mr. Khalid Nafees

FIELD OFFICE

Khaur Office, Tehsil
Pindigheb, District
Attock.

HEAD OFFICE

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

Telephone:
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Fax:
+ 92 51 5487598-99

E-mail:
polcms@pakoil.com.pk

Website:
www.pakoil.com.pk

The annual report may
be downloaded by
scanning this QR Code.



AUDITORS & TAX ADVISOR

A.F. Ferguson & Co.
Chartered Accountants

LEGAL ADVISOR

Khan & Piracha
Ali Sibtain Fazli & Associates

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

HOLDING COMPANY



SUBSIDIARY COMPANY



ASSOCIATE COMPANIES



NATIONAL REFINERY
LIMITED



Attock

ATTOCK PETROLEUM
LIMITED



ATTOCK REFINERY
LIMITED



ATTOCK CEMENT
PAKISTAN LIMITED

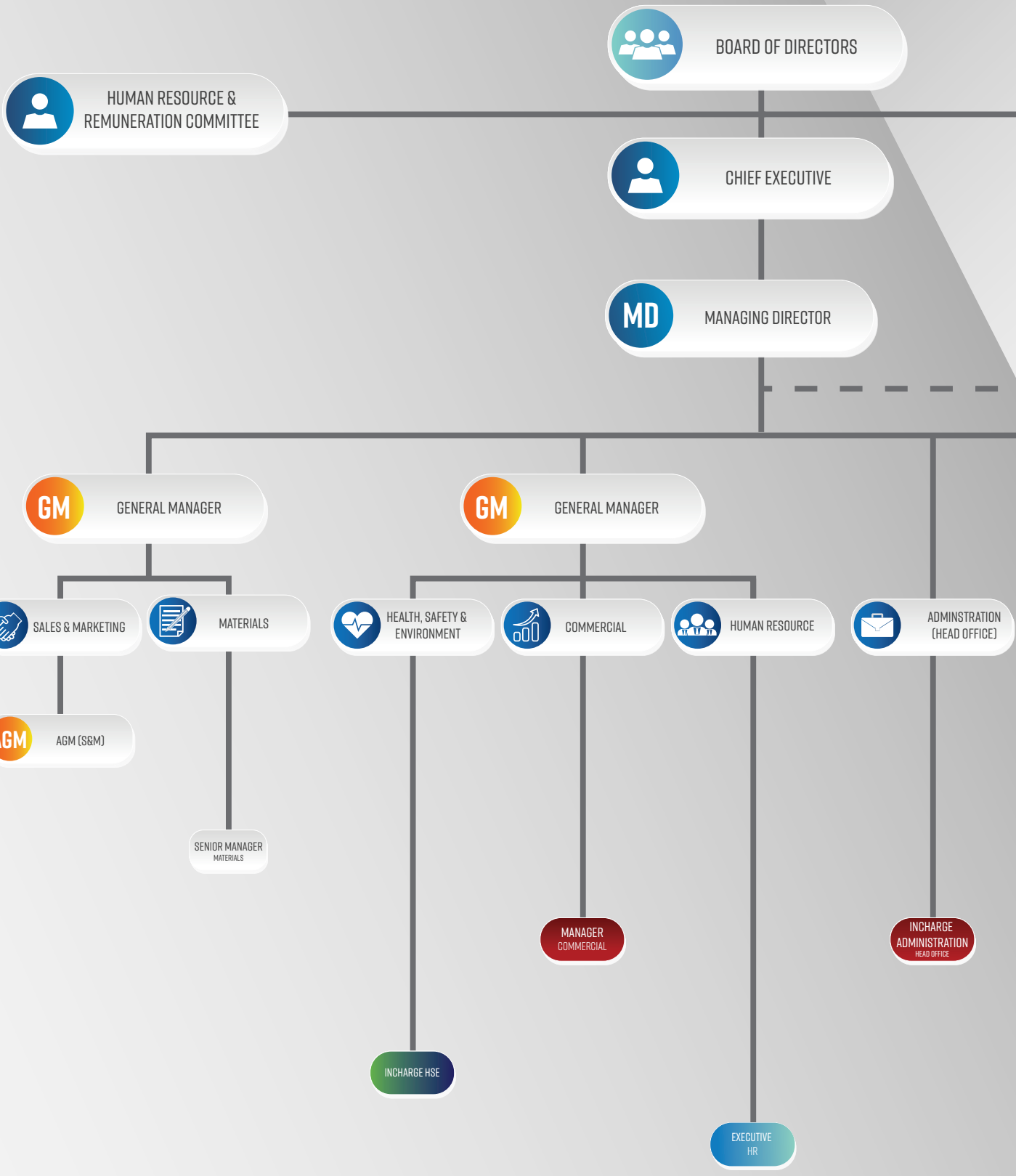


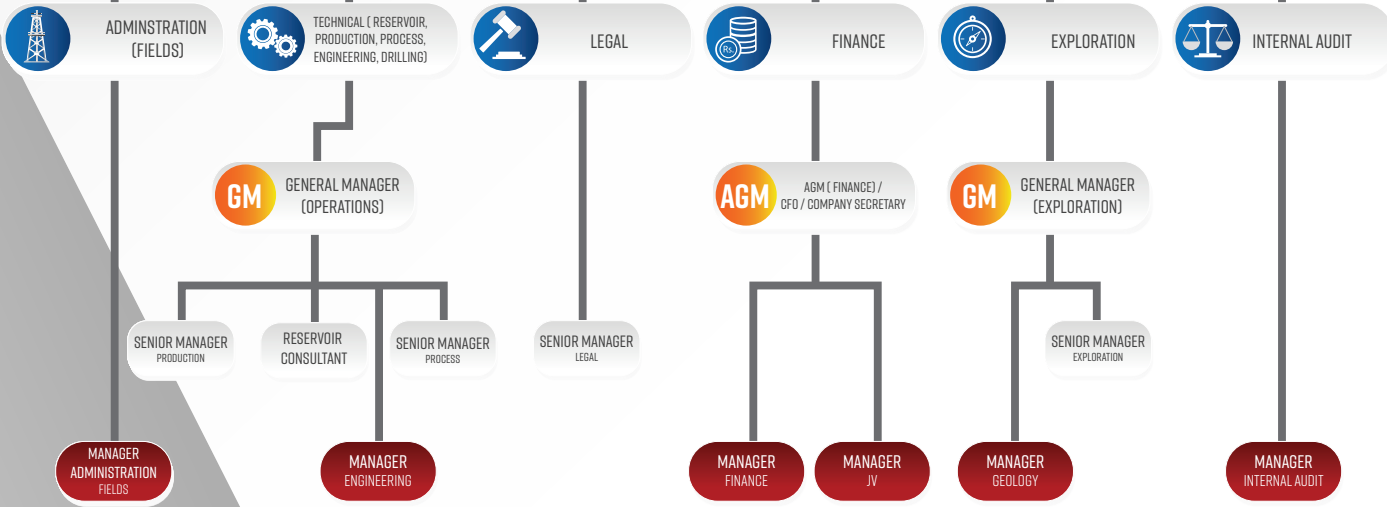
ATTOCK INFORMATION
TECHNOLOGY SERVICES
LIMITED



ATTOCK GEN LIMITED

ORGANOGRAM





BOARD OF DIRECTORS



MR. LAITH G. PHARAON



MR. WAEL G. PHARAON



MR. SHUAIB A. MALIK



MR. SAJID NAWAZ



MR. ABDUS SATTAR



MR. TARIQ IQBAL KHAN



MR. NIHAL CASSIM



MR. BABAR BASHIR NAWAZ
ALTERNATE DIRECTOR TO
MR. WAEL G. PHARAON



MR. BILAL A. KHAN
ALTERNATE DIRECTOR TO
MR. LAITH G. PHARAON



CHAIRMAN ATTOCK GROUP OF COMPANIES

PROFILE OF THE BOARD OF DIRECTORS



MR. LAITH G. PHARAON DIRECTOR

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 Board of various Companies in the Group.

OTHER ENGAGEMENTS:

DIRECTOR:

THE ATTOCK OIL COMPANY LIMITED
ATTOCK PETROLEUM LIMITED
ATTOCK REFINERY LIMITED
ATTOCK CEMENT PAKISTAN LIMITED
NATIONAL REFINERY LIMITED



MR. WAEL G. PHARAON

DIRECTOR

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 a Director on the Board of various Companies in the Attock Group of Companies.

OTHER ENGAGEMENTS:

DIRECTOR:

THE ATTOCK OIL COMPANY LIMITED
ATTOCK PETROLEUM LIMITED
ATTOCK REFINERY LIMITED
ATTOCK CEMENT PAKISTAN LIMITED
NATIONAL REFINERY LIMITED



MR. SHUAIB A. MALIK

DIRECTOR, CHAIRMAN & CHIEF EXECUTIVE

Mr. Shuaib A. Malik has been associated with Attock Group of Companies for around four 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.

OTHER ENGAGEMENTS:

DIRECTOR:

THE ATTOCK OIL COMPANY LIMITED
ATTOCK PETROLEUM LIMITED
ATTOCK REFINERY LIMITED
ATTOCK CEMENT PAKISTAN LIMITED
NATIONAL REFINERY LIMITED

PROFILE OF THE BOARD OF DIRECTORS



MR. SAJID NAWAZ DIRECTOR, MANAGING DIRECTOR

Mr. Sajid Nawaz is presently holding position of Managing Director of Pakistan Oilfields Limited (POL). He has almost 12 years work experience with the Company in Senior Management positions. He is currently serving on Board of Directors of POL. Previously he also served as Chief Executive Officer of POL as well as Director on a number of Boards like, Attock Petroleum Limited, Attock Refinery Limited, Attock Hospital (Pvt.) Limited, Attock Cement Limited and Attock Information Technology Services (Pvt.) Limited. He has over 30 years of work experience in service with Government of Pakistan at various management posts both within country and abroad. Due to the nature of posts and assignments he carries considerable experience of working in different environments.

He has attended various management courses abroad and in Pakistan, including one month course on International Petroleum Management at Canadian Petroleum Institute, Canada.

OTHER ENGAGEMENTS:

DIRECTOR:
ATTOCK CEMENT PAKISTAN LIMITED



MR. ABDUS SATTAR DIRECTOR

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 ARL, POL, ACPL, APL and NRL and a visiting faculty member of a number of reputed universities and professional institutions.

OTHER ENGAGEMENTS:

DIRECTOR:

ATTOCK PETROLEUM LIMITED
ATTOCK REFINERY LIMITED
ATTOCK CEMENT PAKISTAN LIMITED
NATIONAL REFINERY LIMITED



MR. TARIQ IQBAL KHAN DIRECTOR

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 & Exchange Ordinance 1969, Committee for formulation of CDC law & 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.

OTHER ENGAGEMENTS:

DIRECTOR:

ATTOCK REFINERY LIMITED
NATIONAL REFINERY LIMITED
INTERNATIONAL STEEL MILLS
PACKAGES LIMITED
SILKBANK LIMITED
LUCKY CEMENT

PROFILE OF THE BOARD OF DIRECTORS



MR. NIHAL CASSIM DIRECTOR

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 member of Pakistan Oilfields Limited's Audit Committee. He is also member of 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.

OTHER ENGAGEMENTS:

DIRECTOR:

SAFEWAY FUND LIMITED
FEROZESONS LABORATORIES LIMITED
NIFT (PVT.) LIMITED



**MR. BABAR BASHIR NAWAZ
ALTERNATE DIRECTOR TO
MR. WAEL G. PHARAON**

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 Pakistan 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.

OTHER ENGAGEMENTS:

DIRECTOR:

ATTOCK CEMENT LIMITED
ATTOCK PETROLEUM LIMITED



**MR. BILAL A. KHAN
ALTERNATE DIRECTOR TO
MR. LAITH G. PHARAON**

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.

OTHER ENGAGEMENTS:

DIRECTOR:

CAPGAS (PVT.) LIMITED
ATTOCK INFORMATION TECHNOLOGY SERVICES (PVT.) LIMITED

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

TERMS OF REFERENCE

THE COMMITTEE SHALL BE RESPONSIBLE FOR:

- I. The Terms of reference of committee shall be determined by the board of directors which may include the following:
 - II. recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
 - III. recommending human resource management policies to the board;
 - IV. recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
 - V. consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
 - VI. where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.



AUDIT COMMITTEE

COMPOSITION

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

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee include the following:

- a) determination of appropriate measures to safeguard the company's assets;
- b) review of annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on:
 - (i) major judgmental areas;
 - (ii) significant adjustments resulting from the audit;
 - (iii) going concern assumption;
 - (iv) any changes in accounting policies and practices;
 - (v) compliance with applicable accounting standards;
 - (vi) compliance with these regulations and other statutory and regulatory requirements; and
 - (vii) all related party transactions.
- c) review of preliminary announcements of results prior to external communication and publication;
- d) 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);
- e) review of management letter issued by external auditors and management's response thereto;
- f) ensuring coordination between the internal and external auditors of the company;
- g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
- h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
- k) 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 officer and to consider remittance of any matter to the external auditors or to any other external body;
- l) determination of compliance with relevant statutory requirements;
- m) monitoring compliance with these regulations and identification of significant violations thereof;
- n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- p) 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.



01

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.

02

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.

03

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.

04

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.

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.

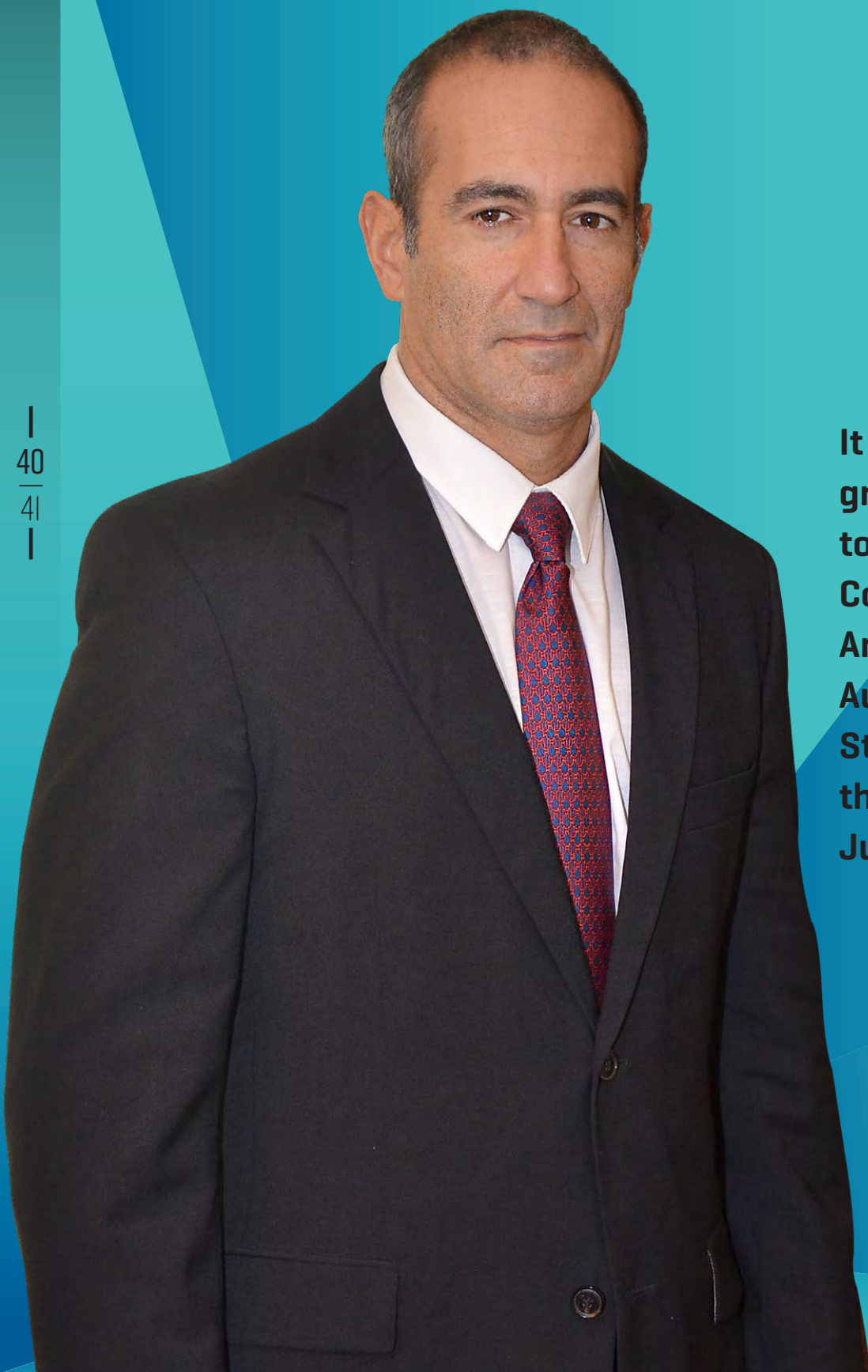
SOLVENT OIL

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.

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.



**It gives me
great pleasure
to present the
Company's
Annual Report and
Audited Financial
Statements for
the year ended
June 30, 2018.**

CHAIRMAN'S STATEMENT

“ We are driven by our vision to be the leading oil and gas exploration and production company of Pakistan

RESULTS

In this year the Company has earned profit after tax of Rs 11.38 billion (2017: Rs.9.679 billion) which is higher by 17.6% in comparison to last year. The Earnings per share is Rs.48.13 (2017: Rs. 40.92). Increase in profit is mainly because of higher crude oil prices and production volumes. In this year production of crude oil, gas and LPG increased by 7.83%, 12.33% and 6.36% respectively.

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

OUTLOOK

During this year the Company has made four new exploratory successes in own, operated and non-operated joint ventures including Jandial, Khaur North, Joyamair and Adhi South X-1. In addition to above three development wells were also successful. All new discoveries are under evaluation/appraisal to know full extent of reserves and I am hopeful that these will increase our reserve base.

Presently, two wells are under drilling out of which one well is exploratory. In the year 2018-19 six more wells will be spudded out of which two wells are exploratory. The Company is investing a substantial amount to increase its reserve base and with the Grace of Allah we are pretty much hopeful to get new successes.

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 continuous and improved 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 expertise and most of all, the dedication and will of our people.

ACKNOWLEDGMENT

On behalf of the Board, I would like to acknowledge with thanks 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.



Laith G. Pharaon
Chairman Attock Group of Companies
Dubai, UAE
August 15, 2018



DIRECTORS' REPORT

In the name of ALLAH, The Most Gracious, The 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, 2018.

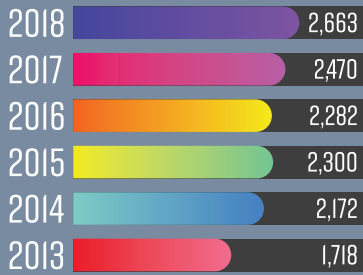
The details of the exploration activities are covered in detail by each geographical area later in this report.

FINANCIAL RESULTS

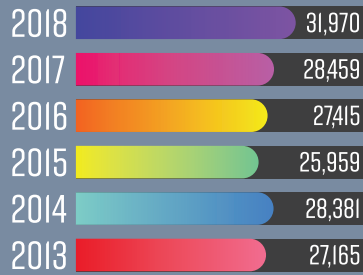
These are summarized below:	Rs (000)
Profit for the year after providing for all expenses including depreciation, exploration, amortization and workers' funds.	14,352,749
Less: provision for taxation	(2,968,815)
Profit after tax	11,383,934

In this year, the Company has made profit after tax of Rs 11,384 million (2017: Rs.9, 678 million), which is higher by 17.62 % as compared to last year. The profit translates into earnings per share of Rs 48.13 (2017: Rs 40.92 per share). Overall net sales are higher by Rs 5,385 million (19.74%), which is mainly because of 7.83 % higher crude oil production and 27.7% increase in average

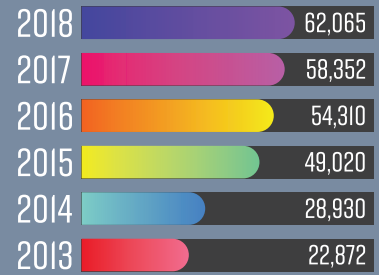
CRUDE OIL PRODUCTION (barrels thousand)



GAS PRODUCTION (million cubic feet)



LPG PRODUCTION (metric tons)



price of crude oil. This crude oil production is the highest in the last ten years period. Production volume of Crude oil, Gas and LPG has increased by 7.83%, 12.33% and 6.36% respectively. Cost of sale has increased by 17.57% mainly because of higher royalty and amortization. Exploration cost increased by Rs. 1,522 million mainly because to Seismic acquisition of Balkassar Lease, DG Khan and Gurgalot block and dry and abandoned wells and irrecoverable cost of Tolanj East and Joyamair Deep charged to expense.

During the year the Company has made a consolidated profit after tax of Rs.11,704 million (June 30, 2017: Rs. 11,905 million) which translate into consolidated earnings per share of Rs.49.37 (June 30, 2017: Rs. 50.23 per share).

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

CASH FLOWS

Cash and cash equivalents increased by Rs 7,351 million during the year (2017: increased by Rs 3,418 million). Cash flows provided from operating activities were Rs 19,327 million higher by 23.31% as compared to last year.

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\$ 465 million (2017: US\$ 332 million) for the country. The contribution to the national exchequer, in the shape of royalty and other government levies, was Rs 10,714 million (2017: Rs 8,202 million).

DIVIDEND

The Directors have recommended issuance of bonus shares in the ratio of one share for every five shares i.e 20% (2017: Nil) held by capitalization of Rs 473.09 million out of free reserve of the Company

The Directors have also recommended a final cash dividend @ 250% (Rs 25.00 per share). This is in addition to the interim cash dividend @ 175 % (Rs 17.5 per share) already declared and paid to the shareholders thereby making it a total cash dividend of Rs. 42.5 per share for the year 2017-18 (2016-17: total cash dividend of Rs 40 per share).

PRODUCTION

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

	JUNE 30 2018	JUNE 30 2017
Crude Oil/Condensate (US Barrels)	2,663,252	2,469,795
Gas (Million Cubic Feet)	31,970	28,460
LPG (Metric Tonnes)	62,065	58,352
Sulphur (Metric Tonnes)	667	566
Solvent Oil (US Barrels)	22,129	18,822

The Company's share in production, including that from joint ventures, for the period under review averaged 7,295 barrels per day (bpd) of crude, 87.58 million standard cubic feet per day (mmscfd) of gas, 170.04 metric tonnes per day (MTD) of LPG, 1.83MTD of Sulphur and 60 bpd of solvent oil.

DIRECTORS' REPORT

EXPLORATION AND DEVELOPMENT ACTIVITIES

PRODUCING FIELDS

At Balkassar Lease (100% owned by POL), 3D seismic data acquisition of 191.25 square kilometers has been completed and seismic processing is in progress. Based on seismic interpretations future wells will be decided accordingly.

At Joyamair Lease (100% owned by POL), Joyamair Deep-1 (an exploratory well) drilled to target depth of 8,776 ft., tested and produced 26 barrels of oil per day. The well has been put on regular production.

At Khaur Lease (100% owned by POL), Khaur North-01 (an exploratory well) was spudded on November 08, 2017 and drilled down to target depth to 14,586 ft in Amb Formation. As a result of Drill Stem Test (DST) to test potential of Eocene carbonates of shallowest sub-thrust sheet, the well produced 502 barrels of oil per day and 1.40 million cubic feet of gas per day with 277 barrels of water per day at 24/64" fixed choke size at flowing wellhead pressure of 776-1090 psi. The well after completion of pipeline will be connected to the production line in near future.

At Turkwal Lease (operated by POL with 67.37% share), 3D seismic planning is in progress to explore full potential of the area.

At Pindori Lease (operated by POL with a 35% share), Pindori-10 a development well to drain the remaining up-dip potential of the field has been approved. Acquisition of long lead items is in progress.

At Pariwali Lease (operated by POL with 82.50% share), work over on Pariwali-2 is in progress for hydrocarbon production enhancement from Chorgali/Sakesar formations. Work to explore the remaining potential in Pariwali Field by incorporating the Simulation study is in progress.

At Tal block, (operated by MOL, where POL has a pre-commerciality share of 25%)

Makori East-6 was spudded on January 22, 2017 achieved its target depth, tested and produced 1,817 barrels of condensate per day, 4.63 million cubic feet of gas per day at 32/64" fixed choke size at flowing well head pressure of 1,594 psi. The well has been connected to production line.

At Adhi field (operated by Pakistan Petroleum Limited, where POL has 11% share), well location of Adhi-31 and Adhi-32 has been approved. Simulation Study of Adhi Field is in progress.

Adhi-29: The well was spudded on March 24, 2017, achieved well target depth of 11,017 ft. Tested Tobra and Khewra formations and produced 504 barrels of oil per day and 1.61 million cubic feet of gas per day at 48/64" choke size. The well has been connected to the production line.

Adhi-30: Well was spudded on May 28, 2017 and Drilled down to depth. After frac job the well tested and produced 400 barrels of oil per day, 4 million cubic feet of gas per day with wellhead flowing pressure of 554 psi at 48/64" choke size and also connected to the production line.

Adhi-31: The well was spudded on March 31, 2018 and drilled down to its target depth and is under testing.

Adhi-32: The well was spudded on June 23, 2018, and drilling down to 13,047 ft. is in progress.

Adhi South X-: An exploratory well was spudded on June 30, 2017 and drilled down to target depth, tested and produced 1,550 barrels of oil per day and 2.6 million cubic feet of gas per day with wellhead flowing pressure of 960 psi at 32/64" choke size. This is an oil discovery in the southern compartment of Adhi structure which will be evaluated for appraisal program. The well will be connected after completion of production pipeline.

Work over to deepen Adhi well-15 was carried out and well completed with the comingled production of 2,618 barrels of oil/condensate per day and 14.43 million cubic feet of gas per day.

Jhal Magsi South field (Operated by OGDCL, where POL has 24% share), installation of plant has been stopped as decision regarding laying of pipeline by SSGCL is not finalised.

At Ratana Field (Operated by Ocean Pakistan Limited, where POL has 4.545% share), 3D seismic data acquisition of 376.86 square kilometers has been acquired and seismic processing is in progress.

EXPLORATION BLOCKS

At Ikhlas block (operated by POL with an 80% share), an exploratory well "Jhandial -1" was drilled down to its target depth of 18,497 feet, During production testing significant amount of hydrocarbons (oil and gas) were encountered. Presently, "Jhandial - 1" is under evaluation and producing around 483 barrels of oil per day and 6.53 million cubic feet of gas per day. Working on way forward of Ikhlas concession is in progress. Preparation of evaluation report of Domial Field, including Domial Deep prospect is in progress. Seismic Acquisition planning over Langrial prospect is in progress.

At DG Khan block (operated by POL with a 70% share), last acquired 2D seismic data identified new leads consequently 264 line kilometers infill 2D Seismic data was acquired. Presently, seismic processing is in progress.

At Margala Block (operated by MOL where POL has a 30% share), to evaluate the remaining potential an option for additional 459.39 sq. kms is under evaluation.

At Tal block 2D/3D seismic data interpretation is in progress to explore the possible deeper plays in TAL block. 3D Seismic acquisition of 500 square kilometers has been planned to explore Tal West area. Mamikhel South an exploratory well has been approved.

Tolanj East-1 an exploratory well was spudded on April 27, 2017 drilled down to its target depth, tested and no hydrocarbons observed and

based on unsuccessful results the well has been plug and abandoned.

Mamikhel Deep-1 an exploratory well was spudded on December 16, 2017. Drilling to its target depth and testing has been completed after the year end and no hydrocarbons observed, plugs for abandonment has been placed and well has been suspended for further evaluation. As the drilling and testing completed after the year end any adjustment will be made subsequent to the balance sheet date.

At Gurgalot block (operated by OGDCL where POL has a 20% share), Gurgalot 3D seismic data acquisition is in progress, and so far 274 Square kilometers has been recorded out of 320 Sq. kms. Seismic data to cover all the mapped leads has been planned.

At Hisal block (operated by PPL where POL has a share of 25%), drilling of first exploratory well Misrial-X1 has achieved its target depth and presently under testing procedures. For evaluation of another prospect, 63.25 L.kms 2D infill seismic acquisition has been planned.

SUBSIDIARY

CAPGAS (PRIVATE) LIMITED (CAPGAS)

CAPGAS earned a profit after tax of Rs 49.78 million during the year (2017: Rs. 46.97 million). It has declared a total dividend of 250% for the year 2018 (2017: 210%). The Company received an average of 25 metric tons per day LPG from the Adhi plants 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 9.5 million barrels (2017: 8 million barrels) of crude oil from Nashpa, TAL Blocks and others were pumped to Attock Refinery Limited through this facility and 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:

Financial

Oil price volatility

MAJOR RISKS & CHALLENGES

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.

MITIGATING FACTORS

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.

Economic and political risks

Volatile economic and financial market conditions resulting from economic or political instability.

The company is mitigating this risk by continuous monitoring of politico-economic factors in area of operations and detailed risk assessment for informed decision making.

Lost in hole/damage beyond repair

During drilling costly equipment are run in the hole for several jobs at different depths.

The company is mitigating this risk through strong control and also taking insurance coverage

Operational

Under performance of major oil and gas fields

MAJOR RISKS & CHALLENGES

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.

MITIGATING FACTORS

The company is mitigating this risk through used of latest technologies, having experienced and efficient teams for proper estimation about life and quantity of reservoir and to maintain production profile of producing fields.

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 this risk by continuous monitoring of politico-economic factors in area of operations and detailed risk assessment for informed decision making.

Reservoir engineering and process

The over estimation of reserves and production can lead to investment of significant capital in the form of plant design by the engineering function.

The company is mitigating this risk by obtaining third party reserve certification for proper estimation of reservoir.

Exploration risk

Exploration activity is prone to the risk of not finding commercial quantities of hydrocarbons due to number of reasons such as 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; hiring experienced professional. The company is in continuous process to explore new opportunities and entering into joint venture agreements to dilute risks and also consulting with external experts.

RISK MANAGEMENT

Operational

MAJOR RISKS & CHALLENGES

MITIGATING FACTORS

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 including policies for back-up and business continuity.

Security risks

A terrorist attack could have a material and adverse effect on our business.

POL's fields are located in areas where security situation is generally satisfactory, yet strict security controls are implemented at our areas of operations. The company has also taken a terrorist insurance cover for all its material installations to mitigate this risk.

Third party liability

A third party liability could have a material and adverse effect on our business.

The company is mitigating this risk through 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

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 adverse effect on earnings.

The Company is mitigating these risks by selecting efficient and professional teams and also having strict criterion tfor selecting rig and other allied services/equipment. Further, the Company also obtains control of well insurance cover for all wells being drilled.

Strategic

Environmental regulations

MAJOR RISKS & CHALLENGES

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.

MITIGATING FACTORS

The company has deployed dedicated resources to ensure compliance with laws and regulations relating to health, safety and environment.

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 mitigating this risk through 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.

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 delay.

The company is mitigating this risk by continuously and regular engagement of joint venture partners in operated and non-operated projects.

DIRECTORS' REPORT

BUSINESS PROCESS RE-ENGINEERING (BPR) / 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. Research is also conducted by in-house and outsourced G&G and reservoir studies. Research is also conducted to study to enhance and to maintain recovery from the fields. Apart from the drilling of development wells already mentioned earlier by geographical location the major business development projects under taken during the year are as follows:

BUSINESS INTELLIGENCE (BI)

New reporting mechanism using BI tool and technologies has been implemented to provide better visibility of data across POL.

Employee Performance Management

BEACON HR, a POL specific Self Service System has been introduced.

Appraisers and Supervisors can manage and develop their teams, assign

tasks and record feedback for management review.

Computerized Maintenance Management

An industry standard web based System integrated with Inventory, Procurement and Accounts has been made operational.

Online Collaboration Management

Joint Venture Approval for Expenditure (JV AFE), Concession Management, Minutes of Meeting, SOPs and POL wide Reporting have been centralized, streamlined and enabled through workflows.

LPG Bowser Movement Management

Route planning, mileage, fuel consumption and associated data can now be recorded online for batch wise analysis and review.

POL Pool Cars Management

POL specific Pool Cars Management system has been introduced with the following features:

- Online Travel Requisition
- Vehicle Logbook
- Vehicle Fuel Record
- Allocated Vehicle Logbook

Future Prospects

- Hospital Management System
- HSE Management System
- Cost Allocation, Management Reporting
- Transfer Request (TR) integrated with Oracle Financial
- CCTV installation in Balkassar Field



CONNECTION
DEVICES
SECURITY
COMPUTER
INFORMATION
NODES
ROUTER

INTERFACE

TRAFFIC



CABLE



MULTIMEDIA, TELEVISION, INTERFACE, SECURITY

DIRECTORS' REPORT

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 sports 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 and higher secondary levels.

Since inception POL has spent Rs.81.5 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 30,000 students.

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

DR. RASHAD INSTITUTE OF TECHNICAL EDUCATION

Dr. Rashad Institute of Technical Education Khaur started in 2015 is now growing to become a full-fledged institute of Technical Education. At present there are 80 students studying in Electrical and Petroleum technologies in 3 classes i.e. first, second and third year.

Early 2015 registration with TEVTA, Lahore was acquired in the Electrical and Electronics technologies. Affiliation with Punjab Board of Technical Education, Lahore was attained to start the Diploma in Associate Engineering (03 years course) in the above mentioned two fields in September, 2015. People of Khaur and its adjacent areas are employed in petroleum and other technical fields of petroleum technology. Therefore, syllabus of petroleum was sent to TEVTA board for review / approval and then registration and affiliation was attained from TEVTA and PBTE, Lahore. In the year 2016 DAE in petroleum technology was also started in Dr. Rashad Institute of Technical Education Khaur to help the local people.

Under the banner ship of technical college, the college managed to get a "Vocational Training Provision Contract" with the Punjab Skills Development Fund (PSDF), which was signed on December 14, 2016.

Students get free training besides getting free books and equipment. They are also given stipend @ Rs. 1,500 / 3,000 per month.

Up till now following technicians have been produced:

a. Industrial Electrician	50
b. Motor Winding	100
c. CCTV Technician	100
d. Computer Applications	100
e. Computer Hardware Technician	50
f. Solar System & UPS Assembly Technician	25

DR. RASHAD DEGREE COLLEGE

POL has established Dr. Rashad Degree College at Khaur with an aim to provide quality education to the youngsters of the Khaur and surrounding areas.

Initially it was an intermediate college but later on it was upgraded to include degree classes as well by affiliating it with the Punjab University, Lahore.

The college has 240 students in different faculties.

The teaching faculty consists of highly qualified staff with a drive to deliver quality education among the students.

This year teachers training was held on "Effective Teaching" from which the teaching staff benefited.

With the help of COMSATS Attock campus preparatory classes for NTS (GAT & NAT) is being arranged at Dr. Rashad Degree College campus.

This year Dr. Rashad Degree College, Khaur participated in NCPC Environment Mela held at National Ayub Park Rawalpindi and won the 1st prize. More than 30 institutions (schools & universities) participated in this Mela.

This year Dr. Rashad Degree College, Khaur also managed to get affiliation from Punjab University, Lahore in BSCS in 4 years program.

POL MODEL SCHOOL

POL Model Secondary School Khaur was started and registered with Punjab Education Department w.e.f. 1st January, 1994 to impart quality of education to the wards POL Employees, later on which was extended for local community as well. It has now grown with a population of 760 students both girls and boys.

The school not only focuses the academic but also aim the spiritual, social, moral and physical growth of its students.

The school provides to its students a healthy safe and conducive environment for learning.

For the purpose of providing quality education “training workshop for continuous professional development of teachers” was arranged last year in the month of July, 2017 and in July, 2018 it is again in pipeline. It helps the teachers to enhance their skills and methodology for effective teaching learning process.

Annual Competition of English and Urdu speeches are held to build confidence and proficiencies as good and effective speakers. School has developed a proper extracurricular activities in calendar year separately for Montessori Section & Secondary School Section. Its Montessori Section has proper Montessori trained teachers to handle the students of tender age.

School holds Parents & Teachers' Association Meetings after the exam to ensure involvement of Parents for the success & progress of their ward at the end of monthly and terminal exams.

The SSC results of 2017 have been 100% for last three years with 31 A+ grade and 9 A grades out of 49 students appeared. The highest marks achieved by our student were 1060(96%). The school has won 6 laptops in Chief Minister's Scholarship scheme. 8 students won merit scholarships from Board.

School is putting consistent efforts to reach still higher levels.

The school curriculum has been changed to make it a dynamic process due to the changes in the society.

POL VOCATIONAL TRAINING CENTER

POL has established a vocational training center for women.

The aim of establishing a vocational center is the development of attitudes, knowledge, and skills for entrepreneurship and self-employment among women of the local community.

Up till now, more than 1000 women & girls have been trained over the period.

On July 2016, POL established Safety Coveralls stitching unit at VTC Khaur. Stitching unit is conceived to ensure its viability being cost effective and also make VTC staff members and students proficient in stitching skills.

SPORTS, CULTURAL & RELIGIOUS ACTIVITIES

In pursuance of belief that in addition to improved physical health, sport plays a primarily positive role in youth development, including improved academic achievement, higher self-esteem, reduction in behavioral problems and better psychosocial concerns, POL has always promoted sports activities among the community with the provision of facilities e.g. cricket, hockey and football grounds, badminton and volley ball courts etc.

POL also has organized and sponsored many tournaments e.g.

- Cricket Tournament (Hard ball and Tennis ball)
- Hockey Tournament
- Volleyball Tournament
- Badminton Tournament

Apart from these games, POL also organizes and support traditional/folk games for the entertainment of local community and to be part of their culture. These games include;

- Tent Pegging
- Bull Race
- Tug of war

The ceremony of 14th August (Independence Day) is also celebrated with great pump & show at Khaur Workers Club. People from all walks of life including company employees and local community participate in the events conducted on the occasion. POL also facilitates local



Pursuance of
Belief

community with the provision of its resources of free transportation, food, electricity and other items in celebration of “Eid Milad-un-Nabi” and organization of “Annual Mehfil-e-Naat” at Khaur.

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 spent on construction of 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.

PROVISION OF “CLEAN WATER” FOR LOCAL COMMUNITY

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 money and time on the development of water supply schemes in different villages located around its Pariwali and Meyal fields. These projects range from installation of 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. 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 that estimated cost of Rs. 3.5 million having capacity of 150,000 gallons and size of (60’x30’). More than 17,000 inhabitants of the local community are directly and indirectly enjoying this clean water facility.

POL was supplying water to Khaur production facility and local community from Sohan River since long through 14.5 KM, 06 inch diameter pipeline. With the passage of time the source dried out and the quality of water was also suffered due to contamination.

Considering the increased demand of water supply and to improve the quality of water, POL drilled 04 Nos. 250 feet deep water wells near Sil River at Ikhlas. Water is supplied through 15.3 KM, 06 inch diameter pipeline with an uninterrupted supply of 250,000 Gallons/Day to meet the extensive demand of water of local community at Khaur and company requirements. The project was completed with a cost of Rs. 82,586,963 and now it is contributing in development of local community and eliminating long halt water problem. Open water





connections have been given to households & mosques and maintenance cost is shared by the Company.

At Meyal, 42 water connections have provided benefiting more than 500 households. To further our support, two million rupees have been donated to the Union Council of Kharpa for provision of water facility to the locals.

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.

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 the 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.

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 six medical residents 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 Patient Fund (Contributed by 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.

During the year the Company has managed to setup several free eye camps for the community, details is as follows:

	POL Hospital		Total
	Khaur	Meyal	
No. of Camps arranged	09	04	13
No. of Patients examined	967	107	1,074
Total Operations			20

OCCUPATIONAL HEALTH AND SAFETY (OH&S)

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.

HSE department oversees health, safety and environment within the under International OHSAS 18001:2007 and ISO 14001:2015 certifications. With the team spirit HSE department ensures & regularly monitors the effectiveness of OH & S systems, policies and programs to reduce workplace risks and promote safe and healthy working environments, address key OH & S issues and performance with the help of service departments.

In addition to regulatory requirements and international standards occupational HSE activities at POL are also guided by internal policies. Department heads and managers all have the responsibility to develop, implement and maintain all elements of the occupational health, safety and environmental programs.

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	2016	2017	2018
Fatal	00	00	00
Fire	07	03	05
Reportable Incident (Serious Injury)	00	02	00
Reportable Incident (Minor Injury)	00	01	00
Major Environment	00	00	00
First Aid Cases	10	07	05
Near Misses	07	05	02

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.

Emergency drills for different scenarios are carried out regularly to ensure the state of preparedness is well maintained. 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	No. of Trainings	No. of Participants
2016	785	12,039
2017	894	14,915
2018	1,169	18,540

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 and achieved ISO 14001:2015 certification for LPG plant site Meyal.

The mitigation measures taken to defy environmental impacts include technology, 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.

PROJECTS COMPLETED

- Installation and commissioning of smoke detection system at KCDF Power House.
- Installation and commissioning of smoke detection system at VFD Room, MGC Plant Meyal.
- Recertification of OHSAS 18001:2007 for Khaur facilities.
- Recertification of ISO 14001:2015 for LPG plant Meyal.
- Surveillance audits of OHSAS 18001:2007 for Meyal, Balkassar & SCR Rig

ONGOING/NEW TARGETS

- Installation and commissioning Automation of foam sprinkling system at old KCDF bays
- Recertification of OHSAS 18001:2007 for POL SCR Rig
- Surveillance audits of ISO 14001:2015 for LPG plant Meyal
- Surveillance audits of OHSAS 18001:2007 for Meyal, Balkassar
- Surveillance audit of Khaur Facilities and transition of management system from OHSAS 18001:2007 to ISO 45001:2015
- Installation of addressable smoke detection system panel at POL house Morgah
- Environmental monitoring of all POL fields and SCR rig
- ISO 45001:2015 lead auditor & Process Safety Management training

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, 2018, 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, 2018 are as follows:

Management Staff Pension Fund	Rs 1,047 million
Gratuity Fund	Rs 420 million
Staff Provident Fund	Rs 381 million
General Staff Provident Fund	Rs 225 million



DIRECTORS AND BOARD MEETINGS

Total number of directors is seven as per the following:

Male: 7 Female: Nil

The composition of board is as follows:

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

* Independent Directors qualify criteria of independence under regulation 6(2) of the Code of Corporate Governance 2017.

** Alternate Director: Mr. Bilal A. Khan, GM. Pakistan Oilfields Limited

*** Alternate Director: Mr. Babar Bashir Nawaz

The board has formed committees comprising of members given below:

AUDIT COMMITTEE

Name	Role
Mr. Abdus Sattar	Chairman
Mr. Babar Bashir Nawaz	Member
Mr. Tariq Iqbal Khan	Member
Mr. Nihal Cassim	Member
Mr. Bilal Ahmed Khan	Member

HR AND REMUNERATION COMMITTEE

Name	Role
Mr. Babar Bashir Nawaz	Chairman
Mr. Shuaib A. Malik	Member
Mr. Abdus Sattar	Member
Mr. Bilal Ahmad Khan	Member

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

Sr. No.	Name of Director	Board of Directors Meetings	Audit Committee Meetings	HR & R Committee Meetings
1	Mr. Laith G. Pharaon	5*	3*	1*
2	Mr. Wael G. Pharaon	5*	4*	1*
3	Mr. Shuaib A. Malik	5		1
4	Mr. Abdus Sattar	5	4	1
5	Mr. Sajid Nawaz	5		1
6	Mr. Tariq Iqbal Khan	4	4	
7	Mr. Nihal Cassim	3	2	

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

All Board meetings were held in Pakistan except for one Board meeting which was held in Dubai on September 11, 2017.

The Board of Directors is authorized to determine, review and amend from time to time the fee structure for attending the meetings of the Board or any committee of the Directors. A Director may also be paid all travelling, hotel and other expenses properly incurred by him in attending and returning from meetings of the Directors or any committee of Directors or General Meetings of the Company.

OTHER CORPORATE GOVERNANCE

Other matters related to Corporate Governance are annexed to the directors' report.

AUDITORS

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

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2018 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.

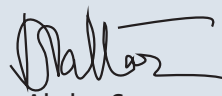
ACKNOWLEDGMENT

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 acknowledges and deeply appreciates their contribution towards achievement of the Company's goals.

On behalf of the Board



Shuaib A. Malik
Chairman &
Chief Executive



Abdus Sattar
Director

Dubai, UAE

August 15, 2018

ڈائریکٹرز رپورٹ



آڈیٹرز۔

آڈیٹرز، اے۔ ایف۔ فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔

حصہ داران۔

۳۰ جون ۲۰۱۸ء کو حصہ داران کی تفصیلی رپورٹ ساتھ لگا دی گئی ہے۔ کمپنی کے حصص میں تمام تجارت کی تفصیل (اگر کوئی ہے تو) اس رپورٹ کے ساتھ لگا دی گئی ہے جس میں ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری، ایگزیکٹوز اور ان کی بیویاں اور نابالغ بچے بھی شامل ہیں۔

ہولڈنگ کمپنی۔

دی انک آئل کمپنی لمیٹڈ برطانیہ میں تشکیل شدہ، پاکستان آئل فیئلڈز لمیٹڈ کی ہولڈنگ کمپنی ہے۔

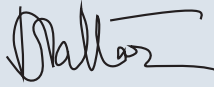
یکجا مالیاتی بیانات۔

کمپنی اور اس کے ماتحت ادارے کے یکجا اکاؤنٹس اس رپورٹ کے ساتھ لگا دے گئے ہیں۔

اعتراف۔

ملازمین کی وفاداری، محبت، جانفشانی اور بلند عزائم کے بغیر سالانہ نتائج حاصل نہیں کیے جاسکتے تھے۔ بورڈ آف ڈائریکٹرز کمپنی کے مقاصد کو حاصل کرنے کے لئے ان کی کاوش کو خراج تحسین پیش کرتا ہے۔

منجانب بورڈ:



عبدالستار

ڈائریکٹر



شعیب اے ملک

چیرمین و چیف ایگزیکٹو

دہلی، یو اے ای

۲۰۱۸/۱۵ اگست

ڈائریکٹرز رپورٹ

ڈائریکٹرز اور بورڈ کے اجلاس:

بورڈ کے کل اراکین کی تعداد مندرجہ ذیل ہے:

(الف) مرد	۷
(ب) مستورات	-

بورڈ کی تشکیل یوں کی گئی ہے۔

(ب) ہیومن ریسورس اینڈ ریونیویشن (HR & R) کمیٹی:

جناب بابر بشیر نواز چیئر مین متبادل ڈائریکٹر جناب وائیل جی فرعون	جناب شعیب اے ملک رکن	جناب عبدالستار رکن	جناب بلال احمد خان رکن متبادل ڈائریکٹر جناب لیٹ جی فرعون
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سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے سال کے دوران ہر ڈائریکٹر کی اجلاس میں شرکت کی تعداد درج ذیل ہے:

ڈائریکٹر کے نام	بورڈ آف ڈائریکٹرز میٹنگ	آڈٹ کمیٹی میٹنگ	ایچ آر اور آر کمیٹی میٹنگ
۱ جناب لیٹ جی فرعون	*۵	*۳	*۱
۲ جناب وائیل جی فرعون	*۵	*۲	*۱
۳ جناب شعیب اے ملک	۵		۱
۴ جناب عبدالستار	۵	۴	۱
۵ جناب ساجد نواز	۵		۱
۶ جناب طارق اقبال خان	۴	۴	
۷ جناب نہال قاسم	۳	۲	

* اور سیز ڈائریکٹرز ذاتی طور پر یا متبادل ڈائریکٹرز کے ذریعے اجلاسوں میں شرکت کرتے ہیں۔

آزاد ڈائریکٹرز*	جناب طارق اقبال خان جناب نہال قاسم
دوسرے غیر انتظامی ڈائریکٹرز	جناب لیٹ جی فرعون** جناب وائیل جی فرعون*** جناب عبدالستار
انتظامی ڈائریکٹرز	جناب شعیب اے ملک جناب ساجد نواز

* آزاد ڈائریکٹرز کو ڈ آف کارپوریٹ گورننس ۲۰۱۷ کے ضابطہ (۲) کے معیار پر پورا اترتے ہیں۔

** متبادل ڈائریکٹر جناب بلال احمد خان، جی ایم پاکستان آئیل فیلڈز لمیٹڈ
*** متبادل ڈائریکٹر جناب بابر بشیر نواز

بورڈ نے درج ذیل اراکین پر مشتمل کمیٹیاں تشکیل دی ہیں:

(ا) آڈٹ کمیٹی:

جناب عبدالستار چیئر مین	جناب بابر بشیر نواز رکن	جناب طارق اقبال خان رکن	جناب نہال قاسم رکن	جناب بلال احمد خان رکن
متبادل ڈائریکٹر جناب وائیل جی فرعون	متبادل ڈائریکٹر جناب لیٹ جی فرعون			

بورڈ آف ڈائریکٹرز کو یہ اختیار حاصل ہے کہ وہ بورڈ کے اجلاسوں اور ڈائریکٹرز کی کسی کمیٹی کے اجلاس میں شرکت کی فیس مقرر کرے، جائزہ لے اور وقتاً فوقتاً اس میں ترمیم کرے۔ یا ڈائریکٹرز کو کسی بھی اجلاس میں شرکت کے لئے باقاعدہ اخراجات مثلاً آمد و رفت کے اخراجات، ہوٹل اور دیگر اخراجات دیئے جاسکتے ہیں۔ جو بورڈ کے اجلاس، کمیٹی کے اجلاس، اجلاس عام یا کمپنی کے معاملات سے متعلق ہوتے ہیں۔ جو ڈائریکٹر کمپنی کے اجلاس / کمیٹی / کاروباری ملاقاتوں میں شرکت کے لئے پاکستان میں اپنی رہائش کا انتظام کرتے ہیں۔ انہیں ہوٹل میں ٹھہرنے کا نصف خرچ دیا جاسکتا ہے۔

تعمیر شدہ منصوبے

- ۱۔ مالی بیانات، جو کہ کمپنی انتظامیہ کی جانب سے تیار کی گئی ہے جو منصفانہ امور کی نشاندہی، اپنے آپریٹنگ، نقدی کا بہاؤ اور ایکویٹی میں تبدیلیوں کا نتیجہ ہے۔
- ۲۔ کمپنی کے اکاؤنٹ کی مناسب کتابوں کو برقرار رکھا گیا ہے۔
- ۳۔ مناسب اکاؤنٹنگ پالیسیوں کے تسلسل کے ساتھ مالی اکاؤنٹ کی تیاری میں لاگو کیا گیا ہے۔ اکاؤنٹنگ اندازے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- ۴۔ انٹرنیشنل اکاؤنٹنگ کے معیار جو کہ پاکستان میں قابل عمل ہیں کی مالی بیانات کی تیاری میں بیرونی کی گئی ہے۔
- ۵۔ اندرونی کنٹرول کے نظام کا ڈیزائن صحیح ہے اور اس پر مؤثر طریقے سے عمل درآمد اور اس کی نگرانی کی گئی ہے۔
- ۶۔ کمپنی کو جاری رکھنے کی صلاحیت پر کوئی شکوک و شبہات نہیں ہیں۔
- ۷۔ کارپوریٹ گورننس کے بہترین طریقوں پر عمل کیا گیا ہے جو کہ لسٹنگ کے ضابطے میں موجود ہیں۔

- ۸۔ گذشتہ سال کے آپریٹنگ نتائج سے اہم انحراف کو (اگر کوئی ہے تو) ڈائریکٹرز رپورٹ / چیرمین کے جائزہ میں مناسب طور پر اکاؤنٹس کے نوٹس (Notes) میں بتایا گیا ہے۔
- ۹۔ کمپنی مستقبل میں اپنے آپریٹنگ کی کارپوریٹ تنظیم کو ختم کرنے یا روکنے کے لئے غور نہیں کر رہی۔
- ۱۰۔ گذشتہ چھ سال کے کلیدی آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ اس رپورٹ کے ساتھ منسلک کر دیا گیا ہے۔
- ۱۱۔ ۳۰ جون ۲۰۱۸ء میں قابل ادائیگی تمام اہم سرکاری لیویز، سال کے آخر کے بعد منظوری دے دی گئی ہے۔
- ۱۲۔ ۳۰ جون ۲۰۱۸ء کے تازہ ترین اکاؤنٹس کی بنیاد پر ملازم کی ریٹائرمنٹ فنڈز میں سرمایہ کاری کی اقدار مندرجہ ذیل ہیں:

۱،۰۴۷ ملین روپے	مینجمنٹ سٹاف پنشن فنڈ
۴۲۰ ملین روپے	گریجویٹس فنڈ
۳۸۱ ملین روپے	سٹاف پراویڈینٹ فنڈ
۲۲۵ ملین روپے	جزل سٹاف پراویڈینٹ فنڈ

☆ کے سی ڈی ایف پاور ہاؤس میں دھوئیں کا پتہ لگانے کے نظام کی تنصیب اور کام کا آغاز

☆ ایم جی سی پلانٹ میال کے VFD روم میں دھوئیں کا پتہ لگانے کے نظام کی تنصیب اور کام کا آغاز

☆ کھوڑ کی سہولیات برائے 2007 OHSAS 18001 کی تجدید

☆ میال مائع پٹرولیم گیس پلانٹ کے لئے ISO 14001:2015 کی تجدید

☆ میال اور بلکسر اور SCR رگ کے OHSAS 18001:2007 نگرانی کے آڈٹ

جاری نئے اہداف

- ☆ KCDF کی پرانی جگہوں پر جھاگ کے چھڑکاؤ نظام کی تنصیب اور اسے چالو کرنا۔
- ☆ پی او ایل SCR رگ کے لئے OHSAS 18001:2007 کی تجدید
- ☆ مائع پٹرولیم گیس پلانٹ میال کے ISO 14001:2015 نگرانی کے آڈٹ
- ☆ میال اور بلکسر کے OHSAS 18001:2007 نگرانی کے آڈٹ
- ☆ کھوڑ سہولیات اور انتظامی سسٹم کی OHSAS 18001:2007 سے ISO 45001:2015 میں منتقلی کے لئے نگرانی کا آڈٹ
- ☆ پی او ایل ہاؤس مورگاہ میں دھوئیں کا پتہ لگانے والے قابل اعتماد نظام کی تنصیب۔
- ☆ پی او ایل کی فیلڈز اور SCR رگ میں ماحول کی نگرانی کے لئے ISO 14001:2015 لیزڈ آڈٹ اور کام کے دوران حفاظتی ٹریننگ (تجویز کردہ منصوبہ)۔

کارپوریٹ گورننس۔

کارپوریٹ گورننس کا تصور بلاشبہ کارپوریٹ ایجنڈہ بن چکا ہے۔ دنیا بھر میں ہم دیکھ رہے ہیں کہ ریگولیشنز، کوڈ، سفارشات اور موضوع پر اصولوں کے پھیلاؤ کا مشاہدہ ہو رہا ہے۔ موجودہ کارپوریٹ گورننس کوڈ اپنانے پر بورڈ سمجھتا ہے کہ گورننس کا مناسب نقطہ نظر دنیا بھر میں گورننس کی ضروریات اور بہترین طریقوں پر مبنی ہے جو کہ ایک فریم ورک کو اپنانے کے لئے تھا۔

ڈائریکٹر رپورٹ

نے ہنگامی صورتحال سے نمٹنے کے لئے ایک جامع طریقہ کار وضع کیا ہے۔ گذشتہ تین سالوں میں کام کی جگہ پر حادثات کا موازنہ درج ذیل ہے:

حادثات	۲۰۱۶	۲۰۱۷	۲۰۱۸
تنگین	۰۰	۰۰	۰۰
آگ	۰۷	۰۳	۰۵
قابل ذکر اہم حادثات	۰۰	۰۲	۰۰
قابل ذکر معمولی حادثات	۰۰	۰۱	۰۰
اہم ماحولیاتی	۰۰	۰۰	۰۰
ابتدائی طبی امداد	۱۰	۰۷	۰۵
قریبی بچاؤ	۰۷	۰۵	۰۲

اہل تمام ملازمین کے لئے ماہانہ "سیفٹی پلیٹن" بھی جاری کرتا ہے۔ یہ اقدامات کام کی جگہ پر چوٹوں کو روکنے میں مددگار ثابت ہوئے ہیں۔ باقاعدگی سے تحفظ کی مشقیں بھی یہ یقین کرنے کے لئے کرائی جاتی ہیں کہ تمام تیاریاں اور ہنگامی رد عمل کا وقت طے شدہ معیار کے اندر ہے۔ کمپنی کے ہر Concession کے لئے الگ تحفظ کی پیش بندی کی جاتی ہے۔

ہر وقت چوکس اور تیار رہنے کے لئے اور مختلف مقاصد کو مد نظر رکھتے ہوئے ہنگامی مشقیں باقاعدگی سے کرائی جاتی ہیں۔ کمپنی کے ہر علاقے کے لئے علیحدہ سیکورٹی منصوبہ بندی کی گئی ہے۔

HSE ڈیپارٹمنٹ کی جانب سے Tool box talks اور فیلڈ تجرباتی اجلاس ہر فیلڈ میں باقاعدگی سے منعقد کئے جاتے ہیں۔

گذشتہ تین سالوں میں HSE ڈیپارٹمنٹ کی جانب سے دی گئی تربیت کا موازنہ درج ذیل ہے:

سال ۲۰۱۸		سال ۲۰۱۷		سال ۲۰۱۶	
تعداد تربیت	شکایہ کی تعداد	تعداد تربیت	شکایہ کی تعداد	تعداد تربیت	شکایہ کی تعداد
۷۸۵	۱۲،۰۳۹	۸۹۴	۱۴،۹۱۵	۱،۱۶۹	۱۸،۵۴۰

اپنے ماحول کی مدد:

ہماری آپریشنل سرگرمیاں اپنے ملازمین، ٹھیکیداروں، قریبی آبادی اور زمینی کے وسائل اور ماحول کو کم از کم متاثر کرنے بغیر جاری ہیں۔ ہماری مسلسل دوستانہ ماحول سرگرمیوں کو پیش نظر رکھتے ہوئے قومی فورم برائے ماحول اور صحت، ISO 14001:2014 نے میاں ایل پی جی پلانٹ کو ایوارڈ سے نوازا۔

ماحولیاتی اثرات کو متاثر ہونے سے بچانے کے لئے نئی ٹیکنالوجی کا استعمال، انتظامی

کنٹرول، ماحولیاتی لیولز پر نظر، قابل اطلاق قانون سازی اور اچھے صنعتی عمل شامل ہیں۔

ماحول پر کوئی منفی اثر کیے بغیر مندرجہ ذیل احسن طریقوں سے سال بھر وسائل کو استعمال کیا گیا۔

تحفظ

محفوظ اور صحت مند کام کا ماحول فراہم کرنا اور حادثات کی روک تھام کرنا ہمارا عزم ہے۔

ملازمین تحفظ اور صحت کے ان اصولوں پر عمل کے لئے جواب دہ ہیں جو اصول ان کی ملازمت پر لاگو ہوتے ہیں۔ ان سے توقع کی جاتی ہے کہ وہ اپنے آپ کو اور اپنے ساتھیوں کو حادثات سے بچانے کیلئے ضروری احتیاطی تدابیر اختیار کریں گے اور حادثات، چوٹوں اور غیر محفوظ طریقوں اور حالات کے بارے میں فوراً آگاہ کریں گے۔ ملازمین سے توقع کی جاتی ہے کہ وہ کسی بھی ایسے اثر و رسوخ سے آزرہ کرکام کریں جو ان کے مؤثر اور محفوظ طریقے سے کام کرنے کی راہ میں حائل ہوں۔

ضابطوں اور طریقہ کار کا باقاعدگی سے اس لئے جائزہ لیا جاتا ہے تاکہ یقین کیا جائے کہ ہمارے ضابطے صنعت کی بہترین پالیسیوں سے منسلک ہیں۔ ملازمین کو صحت اور تحفظ کی تربیت بھی اس لئے فراہم کی جاتی ہے تاکہ یہ یقین کر لیا جائے کہ وہ کمپنی کے ضابطوں اور اہداف کے مطابق کام کر رہے ہیں اس مقصد کے لئے اپنے ہاں ہی آگ سے تحفظ، ابتدائی طبی امداد، محفوظ ڈرائیونگ اور پیشہ ورانہ صحت اور تحفظ کے بارے میں باقاعدگی سے تربیت بھی دی جاتی ہے۔

کمپنی اس بات کو یقینی بناتی ہے کہ ملازمین اور جہاں نافذ العمل ٹھیکیدار بھی کمپنی کے ممکنہ خطرات برائے صحت مند، محفوظ اور دوستانہ کام کے طریقوں کے متعلق آگاہ ہوں۔ پی او

مقصد کے لئے انٹرنشپ مختلف یونیورسٹیوں کے طلباء و طالبات کے لئے پیش کی جاتی ہیں۔

- پی او ایل طبی دیکھ بھال فراہم کرنے کے بارے میں تقریباً ۲۵۰ سے زائد

رجسٹرڈ افراد کے لیے ایک غریب مریض فنڈ چلا رہا ہے جو کہ جناب

جیٹر مین نے قائم کیا ہے اور اس میں وہ خود اور ملازمین اپنا حصہ ڈالتے ہیں۔

عوام کو پی او ایل ہسپتال کے ذریعے سہولت فراہم کرنے کے علاوہ مختلف علاقوں میں طبی

کمپ لگائے گئے ہیں جن میں طبی امداد اور ایات دہلیز پر مفت تقسیم کی گئیں۔

دوران سال کمپنی نے مقامی آبادی کے لئے آنکھوں کے معائنے کے متعدد مفت آئی کی کمپ کا

انتظام کیا۔ جن کی تفصیل درج ذیل ہے :

میزان	پی او ایل ہسپتال میال	پی او ایل ہسپتال کھوڑ	
۱۳	۴	۹	کیمپس کی تعداد
۱،۰۷۴	۱۰۷	۹۶۷	مریضوں کی تعداد
۲۰			گُل آپریشن

پیشہ ورانہ صحت اور حفاظت (OH&S):

سیفٹی کمیٹی کام والی جگہ میں حفاظت، صحت اور مناسب ماحول کی نگرانی کرتی ہے۔ کمیٹی

باقاعدگی سے OH&S نظام، پالیسیوں، کام کی جگہ کے خطرات کو کم کرنے، محفوظ اور

صحت مند کام کے ماحول اور اہم OH&S مسائل اور کارکردگی کو فروغ دینے کے

پروگراموں پر نظر رکھتی ہے۔ ہمارا بنیادی مقصد پیشہ ورانہ اور آپریشنل ماحول میں اپنے لوگو

س کے حفاظت اور کام کے دوران مضر مواد سے بچاؤ اور اسکے علم کو یقینی بنانا ہے۔

قانونی ضروریات کے علاوہ پی او ایل میں پیشہ ورانہ اور تحقیقی سرگرمیاں داخلی پالیسیوں کے

تحت چلائی جاتی ہیں۔ شعبہ جاتی سربراہوں اور تمام مدیران (Managers) کی ذمہ

داری ہے کہ وہ تحفظ کے پروگرام تیار کریں انہیں لاگو کریں اور برقرار رکھیں۔

کمپنی نے تمام مقامات پر حادثات کو کم کرنے اور ہنگامی صورتحال سے نمٹنے کے لیے ایک

جامع حفاظتی انتظامی نظام بنایا ہے۔ "ایمرجنسی رسپانس ٹیم" کا قیام عمل میں لایا گیا ہے جس

سالانہ کارکردگی کی تشخیص کام کی سرگرمیوں اور مقاصد پر توجہ مرکوز کرنے مسائل کی نشاندہی اور درپیش مسائل کا حل بہتر مستقبل اور حوصلہ افزائی کرنے کا ایک نادر موقع فراہم کرتی ہے۔

کھوڑ ہسپتال

کمپنی مریض کی بہتر نگہداشت، باہمی تعاون کا ماحول اور صحت سے متعلق فیصلوں میں مدد

بہتری، بہتر معیار زندگی اور اعلیٰ فلاح و بہبود کے مقاصد کے لئے کھوڑ میں جدید ترین

ٹیکنالوجی کا حامل ہسپتال چلا رہی ہے۔ ہسپتال ۲۴ گھنٹے معیاری طبی دیکھ بھال، اہم بنیادی

صحت کی خدمات اور مفت ہنگامی امداد فراہم کرتا ہے۔

اس وقت ہسپتال میں میڈیسن، جراحی، زچہ بچہ، شعبہ اطفال، اینسٹھیزیا کے ماہرین کو

تعیینات کیا گیا ہے، فیملی میڈیسن ENT، آنکھ، معدہ، جلد اور Ultrasonology

کے شعبوں میں باہر کے ماہرین سے مدد لی جاتی ہے۔

کھوڑ ہسپتال رہائشیوں کو ماہرین طب اور کلینیکل خدمات کی زبردست سہولت مہیا کرتا ہے

جو مقامی لوگوں کو میسر نہیں۔ ہسپتال جدید ترین آلات کے ساتھ آپریشن تھیٹر فکسڈ اور متحرک

ایکس رے مشینیں، بہترین طبی تجربہ گاہ اور جدید ترین سہولتیں رکھتا ہے۔ ہسپتال میں چالیس

بستروں پر مشتمل ایئر کنڈیشنڈ وارڈز ہیں اور یہ مشینوں اور ماہر ڈاکٹروں کی سہولتیں بھی فراہم

کرتا ہے۔ جدید ہنگامی خدمات زندگی بچانے کے لیے مدد کرتا ہے ہنگامی حالات میں یا

سڑک پر حادثہ کی صورت میں زخمی افراد کو مفت طبی امداد فراہم کی جاتی ہے۔ عوام کے لیے

اس طرح کی سہولیات فراہم کرنے والا اپنے علاقے کا واحد ہسپتال ہے۔

صحت کی دیگر سہولیات

کمپنی کی طرف سے فراہم کی جانے والی دیگر طبی نگہداشت کی سہولیات درج ذیل ہیں:

- باقاعدہ مفت ڈسپنسریوں کو پنڈوری اور یلکسر علاقے کی مقامی لوگوں کے

لیے منظم کیا گیا ہے۔

- میال میں فیملی ہسپتال اور ڈسپنسریوں کا قیام۔

- محکمہ ڈسٹرکٹ ہیلتھ کے تعاون سے سالانہ ویکسینیشن پروگرام شروع کیا

گیا ہے۔

ڈائریکٹر رپورٹ

عید میلاد النبی ﷺ منعقد کرنے اور کھوڑ میں سالانہ محفل نعت ترتیب دینے کے لئے مقامی آبادی کو اپنے وسائل سے گاڑیاں، خوراک، بجلی اور دیگر ضروریات فی سبیل اللہ مہیا کرتی ہے۔

آبادی کو طویل عرصہ سے پانی مہیا کر رہی تھی۔ وقت گزرنے کے ساتھ ساتھ پانی کا ذریعہ ٹھنک ہو گیا اور آلودگی کی وجہ سے پانی کا معیار بھی متاثر ہو گیا ہے۔

پانی کی بڑھتی ہوئی طلب اور اس کے معیار کو بہتر بنانے کے پیش نظر پی او ایل نے اخلاص میں دریائے سہل کے قریب ۲۵۰ فٹ گہرے پانی کے ۴ کنویں کھودے۔ ۱۵.۳ اکلومیٹر ۶ انچ قطر کی پائپ لائن کے ذریعے روزانہ ۲۵۰،۰۰۰ گیلن پانی مہیا کیا جا رہا ہے تاکہ کھوڑ کی مقامی آبادی کی بڑھتی ہوئی طلب اور کمپنی کی اپنی ضروریات کو پورا کیا جاسکے۔ اس منصوبے پر ۸۲،۵۸۶،۹۶۳ روپے لاگت آئی تھی اور اب یہ مقامی آبادی کی ترقی اور ان کی مشکلات کو دور کرنے میں اپنا کردار ادا کر رہا ہے۔ مسجدوں میں اور گھروں میں پانی کے کنکشن دیئے جا رہے ہیں اور مرمت کا خرچ بھی کمپنی برداشت کر رہی ہے۔

بنیادی ڈھانچہ کی ترقی۔

اگر مقامی باشندے بڑی منڈیوں تک رسائی حاصل کریں تو ان کے معیار زندگی کو بہتر بنایا جاسکتا ہے۔ آپریشن کے علاقوں میں مقامی کمیونٹی کے معیار زندگی کو بلند کرنے کے لئے پی او ایل نے صرف سڑکوں کے نیٹ ورک کی تعمیر پر ہی خرچ نہیں کیا بلکہ گلیوں کا پکا کرانا، پلوں اور نکاسی آب کے نظام میں بہتری لانا بھی شامل ہے۔

مقامی آبادی کے لئے صاف پانی کی سہولت۔

میال میں پانی کے ۴ کنکشنز دیئے گئے جن سے ۵۰۰ گھر انے فائدہ اٹھا رہے ہیں۔ یونین کونسل کھڑپہ کو پانی کی سہولت مقامی لوگوں کو دینے کے لئے ۲ ملین روپے عطیہ کے گئے۔

دیہی لوگوں کی بنیادی ضروریات جن میں پینے کے صاف پانی تک آسان اور کم وقت میں رسائی حاصل کرنے کی کوششوں میں مدد۔ اس سلسلے میں کئی منصوبوں پر کام شروع کر دیا گیا ہے۔

انسانی وسائل (HR)۔

پی او ایل یقین رکھتی ہے کہ موثر انسانی وسائل (HR) مینجمنٹ اور ترقی کی پالیسیوں کے اپنانے سے تنظیمی مقاصد اور اس میں قابل ستائش اضافہ ہوتا ہے۔ پی او ایل کا نظریہ ہے کہ اس کے ملازمین اس کا سب سے قیمتی اثاثہ ہیں۔ انتخاب کے طریقہ کار اور روزگار کی پالیسیوں کو اس طرح بنایا گیا ہے کہ قابل اور تعلیم یافتہ ملازمین کو راغب کیا جائے تاکہ وہ کمپنی مقاصد کو پورا کرنے کے لئے اپنی بہترین کوششوں سے اہم کردار ادا کرنے کے لئے تیار ہوں۔

پی او ایل، پری والی اور میال کے ارد گرد واقع مختلف دیہاتوں میں پانی کی فراہمی کے منصوبوں کی ترقی پر رقم اور وقت صرف کر چکی ہے۔ ان منصوبوں کے کئی دیہات میں ۶۵۰۰ سے زائد گھرانوں کو پینے کے صاف پانی کی فراہمی کے لئے ایک وسیع تقسیم کے نیٹ ورک قائم کرنے کے لئے موٹر پمپس کی تنصیب اور اوور ہیڈ پانی کے ٹینکوں کی تعمیر کی گئی ہے۔ کمیونٹی نے گاؤں کی بنیاد پر پانی کی انتظامیہ کمیٹیوں کے ذریعے بحالی اور پائیداری کے ان منصوبوں کی ملکیت لینے کے لئے شرکت کی ہے۔

ملازمین کی اصل اور مطلوبہ کارکردگی کے درمیان خلیج کو کم کرنے کے لئے تکنیکی مہارتوں پر تربیت دی جاتی ہے یہ تربیتیں ملازمین اور کمپنی کے باہمی فائدے کے لئے ہیں اور ملازمین کو ترقی کے لئے درکار مہارت حاصل کرنے کے مواقع فراہم کرتی ہیں۔ تربیت کا یہ عمل مسلسل جاری رہتا ہے۔

پری والی میں احمدال گاؤں کے رہنے والوں کو پینے کے صاف پانی کی سہولت کا بڑا مسئلہ درپیش تھا کیونکہ دستیاب پانی کی فراہمی ان کی بنیادی ضرورت کو پورا کرنے کے لئے ناکافی تھا۔ کمپنی نے احمدال گاؤں کی مقامی کمیونٹی کی سہولت کے لئے زیر زمین پانی سٹوریج ٹینک ۳.۵ ملین روپے کی لاگت سے (۶۰'x۳۰') سائز کا ۱۵۰،۰۰۰ گیلن سٹوریج کا حامل ٹینک تعمیر کیا۔ مقامی کمیونٹی کے ۱۷،۰۰۰ سے زائد باشندے براہ راست اور بالواسطہ طور پر اس کے صاف پانی کی سہولت سے لطف اندوز ہو رہے ہیں۔

پی او ایل انسانی وسائل کو بہتر بنانے کے لئے ملک کی یونیورسٹیوں کی مدد ایک سماجی ذمہ دار کی سمجھتی ہے، اور اس وجہ سے فعال طور پر ملک کے پیشہ ورانہ جوانوں کو تربیت دیتی ہے۔ اس

پی او ایل ۱۴.۵ اکلومیٹر ۶ انچ قطر کی پائپ لائن کے ذریعے کھوڑ پیداواری سہولت اور مقامی

(سکولز اور یونیورسٹیوں) نے اس میلے میں شرکت کی تھی۔

معاشرے میں ہونے والی تبدیلیوں کے پیش نظر سکول کے نصاب کو مزید بہتر بنانے کے لئے تبدیل کیا گیا ہے۔

اس سال ڈاکٹر شاد ڈگری کالج کھوڑکے BSCS کے چار سالہ پروگرام کے لئے پنجاب یونیورسٹی سے الحاق کر دیا گیا ہے۔

پی او ایل ووکیشنل ٹریننگ سنٹر۔

پی او ایل نے خواتین کے لئے پیشہ ورانہ تربیتی مرکز قائم کیا ہے۔ اس مرکز قائم کرنے کے مقاصد میں رویوں، علم، اور مقامی کمیونٹی کی خواتین میں خود روزگار کے لئے مہارت کی ترقی ہے۔ اب تک ۰۰۰، اسے زائد خواتین اور لڑکیوں کو تربیت دی جا چکی ہے۔ جولائی ۲۰۱۶ء میں پی او ایل نے VTC کھوڑکے میں Safety Coveralls Stitching یونٹ قائم کیا ہے۔ سلائی مرکز کے قیام کا مقصد اخراجات میں کمی اور VTC کے عملد اور طالبات کی سلائی کڑھائی کی مہارت میں مزید نکھار پیدا کرنا ہے۔

پی او ایل ماڈل سکول۔

پی او ایل کے ملازمین کے بچوں کو معیاری تعلیم دینے کے لئے یکم جنوری ۱۹۹۴ء سے پی او ایل ماڈل سینڈری سکول کا آغاز کیا گیا۔ جسے پنجاب ایجوکیشن ڈیپارٹمنٹ سے رجسٹرڈ کرایا گیا۔ بعد ازاں مقامی آبادی کو بھی مستفید ہونے کی سہولت دے دی گئی۔ اس وقت ۶۰ ۷ طلباء و طالبات زیور علم سے آراستہ ہو رہے ہیں۔

☆ سکول نہ صرف بچوں کی تعلیم پر توجہ مرکوز کرتا ہے بلکہ ان کی روحانی سماجی اخلاقی اور جسمانی ترقی اس کا مطمح نظر ہے۔

☆ سکول اپنے طلباء و طالبات کو سیکھنے کے لئے صحتمند محفوظ اور سازگار ماحول فراہم کرتا ہے۔

کھیل، ثقافتی اور مذہبی سرگرمیاں۔

اس پریقین رکھتے ہوئے کہ کھیل نہ صرف جسمانی صحت کو بہتر بناتے ہیں بلکہ جوانوں کی ترقی میں ایک اہم کردار ادا کرتے ہیں جن میں انکی بہتر تعلیم، اعلیٰ خود اعتمادی، مثبت رویوں اور بہتر نفسیاتی خدشات بھی شامل ہیں۔ پی او ایل ہمیشہ کمیونٹی کے درمیان کھیلوں کی سرگرمیوں کو فروغ دیتا ہے اور اس کے لئے سہولیات بھی فراہم کرتا ہے جن میں کرکٹ، ہاکی اور فٹ بال کے میدان، بیڈمنٹن اور والی بال کورٹس شامل ہیں۔

☆ معیاری تعلیم مہیا کرنے کے لئے گزشتہ برس جولائی ۲۰۱۷ء اور اب جولائی ۲۰۱۸ء میں اساتذہ کی مسلسل پیشہ ورانہ ترقی کے لئے ورکشاپ ترتیب دی گئی اور اب دوبارہ زیرِ غور ہے۔ یہ مئوٹر تدریسی عمل کو سیکھنے اور اساتذہ کی مہارت اور طریقہ کار کو مزید بہتر بنانے میں اساتذہ کو مدد فراہم کرتی ہے۔

پی او ایل نے کئی ٹورنامنٹ منعقد اور سپانسر کئے جن میں درج ذیل شامل ہیں:

☆ سکول میں انگریزی اور اردو تقاریر کے سالانہ مقابلے منعقد کیے جاتے ہیں تاکہ بچوں کے اندر اعتماد اور انہیں بہترین مقرر بنانے کے لئے ان کی صلاحیتوں کو اجاگر کیا جاسکے۔ سکول نے موٹیسری اور ثانوی سکول سیکشن کے لئے سال بھر میں باقاعدہ الگ غیر نصابی سرگرمیاں مرتب کی ہیں۔ سکول میں ننھے بچوں کو سنبھالنے کے لئے موٹیسری کے باقاعدہ تربیت یافتہ اساتذہ رکھے گئے ہیں۔

۔ کرکٹ ٹورنامنٹ (ہارڈ گینڈ اور ٹینس گینڈ)

۔ ہاکی ٹورنامنٹ

۔ والی بال ٹورنامنٹ

۔ بیڈمنٹن ٹورنامنٹ

☆ سکول میں ماہانہ اور ٹریمنٹل امتحانات کے بعد والدین اور اساتذہ کی ملاقات کا اہتمام کیا جاتا ہے۔ تاکہ والدین اپنے بچوں کی کامیابی اور ترقی کے بارے میں آگاہ ہو سکیں۔

ان کھیلوں کے علاوہ پی او ایل مقامی کمیونٹی کی تفریح کے لئے روایتی لوک کھیلوں کی حمایت اور انکی ثقافت کا حصہ بنتا ہے۔ ان میں درج ذیل کھیل شامل ہیں:

☆ گزشتہ تین سالوں کی طرح ۲۰۱۷ء کے ثانوی سکول ٹیچکیٹ کے نتائج سو فی صد رہے۔ ۳۹ طلباء و طالبات امتحان میں شریک ہوئے جن میں سے ۳۱ نے A+ جب کہ ۹ نے A گرید حاصل کیا۔

۔ نیوز بازی

۔ بیبل دوڑ

۔ رسد کشی

ہمارے طالب علم نے سب سے زیادہ نمبر 1060 (۹۶ فی صد) حاصل کیے۔ سکول نے وزیر اعلیٰ اسکالر شپ پروگرام کے تحت ۶ لپ ٹاپ حاصل کیے۔ طلباء نے بورڈ سے میرٹ اسکالر شپ حاصل کیے۔ سکول مزید اعلیٰ کامیابیاں حاصل کرنے کے لئے مستقل کوشاں ہے۔

۱۱۴ اگست کی تقریب کو کھوڑور کر زکلب میں منایا جاتا ہے۔ کمپنی کے ملازمین اور مقامی کمیونٹی سمیت زندگی کے تمام شعبہ ہائے جات کے لوگ اس میں شرکت کرتے ہیں۔ پی او ایل

ڈائریکٹر رپورٹ

منسلک کیا گیا۔ ۲۰۱۶ء میں مقامی افراد کی مدد کے لئے ڈاکٹر رشاد انسٹیٹیوٹ آف ٹیکنیکل ایجوکیشن میں پٹرولیم ٹیکنالوجی میں DAE کا آغاز کیا گیا۔ ٹیکنیکل کالج کے ہیئر کے تحت، ۱۴ دسمبر ۲۰۱۶ء کو پنجاب سکول ڈیولپمنٹ فنڈ (PSDF) کے ساتھ ایک "پیشہ وارانہ تربیت مہیا کرنے کا معاہدہ" کیا گیا ہے۔ طلباء مفت سامان اور کتابوں کے ساتھ بلا معاوضہ تربیت حاصل کرتے ہیں۔ انہیں ۱،۵۰۰ سے ۳،۰۰۰ روپے ماہوار وظیفہ بھی دیا جاتا ہے۔ اس وقت تک مندرجہ ذیل ماہرین تیار کئے گئے:

۵۰	۱۔ صنعتی الیکٹریشن
۱۰۰	۲۔ موٹر وائنڈنگ
۱۰۰	۳۔ سی سی ٹی وی ٹیکنیشن
۱۰۰	۴۔ کمپیوٹر اپلیکیشن
۵۰	۵۔ کمپیوٹر ہارڈ ویئر ٹیکنیشن
۲۵	۶۔ نظام سٹسی اور یو پی ایس بنانے والے ٹیکنیشن

ڈاکٹر رشاد ڈگری کالج۔

پی او ایل نے کھوڑا اور گردونواح کے علاقوں کے نوجوانوں کو معیاری تعلیم فراہم کرنے کے مقصد کے تحت کھوڑا میں ڈاکٹر رشاد ڈگری کالج قائم کیا ہے۔ ابتدائی طور پر یہ ایک انٹرمیڈیٹ کالج تھا لیکن بعد میں ڈگری کلاسز شامل کرنے کے لئے اس کا الحاق پنجاب یونیورسٹی لاہور کے ساتھ کر دیا گیا۔ کالج کے مختلف شعبوں میں ۲۴۰ طالب علم تعلیم حاصل کر رہے ہیں۔ تدریسی شعبہ طالب علموں کو تسلسل کے ساتھ معیاری تعلیم کی فراہمی کے لئے اعلیٰ تعلیم یافتہ عملے پر مشتمل ہے۔

اس سال "Effective Teaching" کے ذریعے اساتذہ کی تربیت کا انتظام کیا گیا جس سے اساتذہ نے استفادہ کیا۔

Comsats انک کیمپس کے تعاون سے ڈاکٹر رشاد ڈگری کالج میں

(GAT&NAT) NTS کی تیاری کے لیے کلاسز کا انتظام کیا جا رہا ہے۔

اس سال ڈاکٹر رشاد ڈگری کالج، کھوڑا نے ایوب نیشنل پارک میں منعقد ہونے والے

NCPC ماحولیاتی میلے میں شرکت کی اور اول انعام حاصل کیا۔ تیس سے زائد اداروں

ہمارا CSR ایک وسیع ایریا پر مشتمل ہے جن میں سکولوں، کالجوں اور صحت کے مراکز کی تعمیر، سڑکوں اور پلوں کی تعمیر انسانی اور سماجی کام کرنے والی تنظیموں کی حمایت اور کھیلوں کا انعقاد ہیں۔ ہمیں اپنی ترقی پر فخر ہے، لیکن پھر بھی ہمیں بہت کچھ کرنا ہے جس کی ہم منصوبہ بندی کر رہے ہیں۔

تعلیم

تعلیم قوم کی تعمیر اور لوگوں کی اقتصادی ترقی کا ایک معروف ذریعہ ہے۔ یہاں، پی او ایل میں، ہماری کلیدی توجہ تعلیم ہے جس کی ہم مکمل طور پر حمایت کرتے ہیں۔ پی او ایل کی توجہ بنیادی، ثانوی اور اعلیٰ سطح کی تعلیم پر مرکوز ہے۔

قیام کے آغاز کے بعد سے پی او ایل ۸۱.۵ لاکھ روپے کلاس رومز کی تعمیر، سرکاری سکولوں اور اردگرد کے کالجوں کے بنیادی ڈھانچے کو بہتر بنانے، کمپیوٹرز، سائنس لیبارٹری، فزینچر اور فلکسپر فراہم کرنے میں خرچ کر چکی ہے جس سے ۳۰،۰۰۰ سے زائد طلباء مستفید ہو رہے ہیں۔

پی او ایل نہ صرف کام کے علاقوں میں سماجی بہبود کی سرگرمیوں پر خرچ کرتا ہے بلکہ ہمارے اپنے تکنیکی ادارے، ہائر سیکنڈری سکولز اور ڈگری کالج کھوڑا چل رہے ہیں جو پوری طرح سے لیب کی سہولیات، جدید کتب خانے، انتہائی مستند تدریسی عملے پر مشتمل ہیں۔ ہم غیر نصابی سرگرمیوں کو بھی فروغ دے رہے ہیں۔

ڈاکٹر رشاد ٹیکنیکل ایجوکیشن انسٹیٹیوٹ۔

۲۰۱۵ء میں قائم ہونے والا ڈاکٹر رشاد انسٹیٹیوٹ آف ٹیکنیکل ایجوکیشن ترقی کرتے ہوئے اب باقاعدہ فنی تعلیم مہیا کرنے والا ادارہ بن گیا ہے۔ اس وقت الیکٹریکل اور پٹرولیم ٹیکنالوجیز کے پہلے، دوسرے اور تیسرے سال میں ۸۰ طلباء زیر تعلیم سے آراستہ ہو رہے ہیں۔ ۲۰۱۵ء کی ابتداء میں ٹیوٹا لاہور کے ساتھ الیکٹریکل اور الیکٹرانکس ٹیکنالوجیز میں رجسٹریشن کرائی گئی۔ پنجاب بورڈ آف ٹیکنیکل ایجوکیشن لاہور کے ساتھ وابستگی ایسوسی ایٹ انجینئرنگ میں ڈپلومہ (۳ سالہ کورس) شروع کرنے کے لئے حاصل کی گئی۔ ستمبر ۲۰۱۵ء میں متذکرہ بالادونوں شعبوں میں ۲۰/۲۰ طلباء کو داخلہ دیا گیا۔ کھوڑا اور گردونواح کے لوگ پٹرولیم اور پٹرولیم کے دیگر ٹیکنالوجیکل شعبوں میں کام کرتے ہیں تاہم پٹرولیم کا نصاب TEVTA Board کو جائزے / منظور کے لئے بھیجا گیا اور پھر ٹیوٹا بورڈ اور PBTE، لاہور سے

پی او ایل پُل کارز مینجمنٹ :

پی او ایل پُل کارز مینجمنٹ سسٹم مندرجہ ذیل خصوصیات کے ساتھ متعارف کرایا گیا ہے :

- آن سفر کی درخواست

- گاڑی کی لاگ بک

- گاڑی کے ایندھن کا ریکارڈ

- مختص شدہ گاڑی کی لاگ بک

مستقبل کے عزائم :

- ہسپتال کے انتظام کا نظام

- HSE کے انتظام کا نظام

- لاگت مختص کرنے، انتظامیہ کو رپورٹنگ

- منتقلی کی درخواست (TR) اور میکل سے مربوط کرنا

- بلکس فیلڈ میں سی سی ٹی وی کی تنصیب

کارپوریٹ سماجی ذمہ داری۔

پی او ایل میں ہم یقین رکھتے ہیں کہ ہم جہاں بھی کام کریں ہم اس معاشرے کا لازمی حصہ بنیں۔ معاشرے میں سرمایہ کاری صرف ایک مطالبہ نہیں جس کو ہم نے پورا کرنا ہے بلکہ یہ ایک فلسفہ ہے۔ اس کی بنیادی اقدار کے حصے کے طور پر کمپنی اس بات کو بردست اہمیت دیتی ہے کہ جس معاشرے میں کمپنی کام کر رہی ہے اس کی ترقی میں حصہ لے۔

ایک اچھے کارپوریٹ شہری بننے کے لئے ہماری وابستگی میں شامل ہے کہ

- اپنے ماحول کی حفاظت

- ذمہ داری سے کام کرنا

- جن علاقوں میں ہم کام کریں ان کی ترقی میں حصہ ڈالیں

- اپنے کام کے معیار کو برقرار رکھنا اور صحتمند طرز زندگی کی وکالت

- دیانتداری کے ساتھ کام اور اعلیٰ ترین اخلاقی معیارات کو برقرار رکھنا

- کام کے تنوع کو فروغ دینا اور متنوع سپلائرز کے ساتھ شراکت داری

- ایک محفوظ، صحت مند کام کی جگہ کو یقینی بنانا۔

پہلے جغرافیائی محل وقوع میں بیان کردیے گئے۔ اس سال درج ذیل بڑے کاروباری ترقیاتی منصوبے شروع کئے گئے ہیں۔

برنس انٹیلی جنس (BI):

BI اور ٹیکنالوجی کے استعمال سے نئی رپورٹنگ کے طریقہ کار کو کمپنی بھر میں اعداد و شمار پر بہتر نظر فراہم کرنے کے لئے لاگو کیا گیا ہے۔

کارکنان کی کارکردگی کا انتظام

(Employee Performance Management):

لیکن اچھا آر، ایک خود کار نظام متعارف کرایا گیا ہے۔ تجزیہ کار اور سرپرست اس نظام کے ذریعے اپنے ماتحتوں کو کام تھو بیض کر سکتے ہیں انہیں بہتر نظم میں لاسکتے ہیں اور انتظامیہ کی معلومات کے لئے تجویز ریکارڈ بھی کر سکتے ہیں۔

کمپیوٹرائزڈ بحالی کا نظام

(Computerized Maintenance Management):

منصوبوں کے لئے معیاری ویب پر مبنی انونٹری (Inventory) خریداری اور رکھنا توں کا نظام نے کام شروع کر دیا ہے۔

آن لائن تعاون کا نظام

(Online Collaboration Management):

مشترکہ منصوبوں کے اخراجات کی منظوری (JV AFE) Concession کے انتظامات، اجلاس کی تفصیلات، SOPs اور پی او ایل بھر کی رپورٹنگ کو با مقصد اور فعال بنا کر ان میں مرکزیت قائم کر دی گئی ہے۔

مائع پٹرولیم گیس باؤزر

(LPG Bowser Movement Management):

راستے کی منصوبہ بندی، مسافت، ایندھن کی کھپت اور ان سے وابستہ اعداد و شمار کا تجزیہ اور جائزہ اب آن لائن بھی ممکن ہے۔

ڈائریکٹر رپورٹ

۷۔ ماحولیاتی قواعد و ضوابط:

کمپنی پر صحت، محفوظ طریقہ کار اور ماحول کے قواعد و ضوابط لاگو ہوتے ہیں۔ تبدیل شدہ قوانین پر عمل درآمد کے نتیجے میں اخراجات میں اضافہ اور عدم تعمیل کی صورت میں جرمانہ عائد ہو سکتا ہے۔

۱۲۔ دہشت گردوں کے حملے:

دہشت گردوں کا حملہ ہمارے کاروبار پر بہت زیادہ منفی اثرات مرتب کر سکتا ہے۔ اس خطرے کے تدارک کے لئے کمپنی نے اپنی تمام اہم تنصیبات کے لئے دہشت گردی کی صورت میں نقصان پورا کرنے کے لئے باقاعدہ انشورنس کرائی ہوئی ہے۔

۸۔ بڑھتا ہوا مقابلہ:

تیل اور گیس کی تلاش اور پیداوار کے شعبے میں بڑھتے ہوئے مقابلے اور خاص طور پر تیل کی تلاش کے concession کے حصول کے بڑھتے ہوئے مقابلے کی صورت حال کا سامنا ہو سکتا ہے۔ اس کے علاوہ مقابلے میں اضافہ، مارجن میں کمی اور ایل پی جی کی فراہمی میں خلل سے کمپنی کے ایل پی جی کے کاروبار پر منفی اثرات پڑ سکتے ہیں۔

۱۳۔ تیسرے فریق کی حیثیت سے ذمہ داری:

تیسرے فریق کی حیثیت سے ذمہ داری ہمارے کاروبار پر بہت زیادہ منفی اثرات مرتب کر سکتی ہے۔ اس خطرے کے تدارک کے لئے کمپنی مسلسل ایسے معاملات کا جائزہ لیتی رہتی ہے جہاں انشورنس کی ضرورت ہے، کمپنی نے اپنے کنوؤں کی کھدائی کے علاقوں، پائپ لائنوں اور اہم تنصیبات کے لئے تیسرے فریق کی حیثیت سے ذمہ داری کی انشورنس کروائی ہوئی ہے۔

کمپنی فارم ان اور فارم آؤٹ معاہدوں کے ذریعے اور E & P کمپنیوں سے شراکت قائم کرنے کے لئے مسلسل کوشاں ہے۔ ایل پی جی کے کاروبار میں مارجن کو برقرار رکھنے کی غرض سے کمپنی نے ایل پی جی ذخیرہ کرنے کی مناسب صلاحیت حاصل کر لی ہے اور مزید ایل پی جی کی پائیدار اور مناسب قیمت پر فراہمی کے لیے کوشاں ہے۔

۱۴۔ کنوؤں میں کھوجانا یا مرمت کے قابل نہ رہنا:

کھدائی کے دوران مہنگے آلات کنوؤں میں مختلف گہرائیوں میں داخل کیے جاتے ہیں۔ جہاں ان کے کھوجانے یا ناقابل مرمت خراب ہونے کا اندیشہ ہوتا ہے، اس خطرے کے تدارک کے لئے کمپنی بھرپور نظر رکھتی ہے۔ اور ان آلات کی انشورنس بھی کرائی ہے۔

۹۔ انفارمیشن ٹیکنالوجی (آئی ٹی) کی ناکامی:

آج کے ماحول میں جہاں آئی ٹی پر انحصار، قوانین اور پورنگ کی حتمی معیاد پوری کرنی ہوں وہاں آئی ٹی کی ناکامی سے کمپنی کی سرگرمیوں پر منفی اثرات پڑھنے کا اندیشہ ہے۔ تمام متعلقہ معاملات کے کنٹرول اور نگرانی خاص طور پر تمام اعداد و شمار کی حفاظت کے لئے ایک علیحدہ IT کا شعبہ بنایا گیا ہے۔

کاروباری عمل اترقیاتی سرگرمیاں:

کمپنی کا خیال ہے کہ معیار اور مسلسل بہتری کا ایک مضبوط عزم کامیابی حاصل کرنے کے لئے ناگزیر اجزاء ہیں۔ تمام عمل مسلسل تشخیص اور بہتری سے مشروط ہے۔ تیل و گیس کی دریافتی اور پیداواری کمپنی کی حیثیت سے تحقیق بنیادی کام ہے۔ ارضیاتی اعداد و شمار حاصل، عمل اور جیالوجیکل سرگرمیوں کے دوران ان کی تشریح زیادہ سے زیادہ اعداد و شمار کے پیمانوں کا انتخاب محتاط تجرباتی تحقیق کے ذریعے ہی ممکن ہے۔ کمپنی کسی بھی جگہ میں ہائیڈروکاربن کے حجم کو ماپنے کے لئے جامع تجزیہ کرتی ہے، کسی بھی جگہ کھدائی سے پہلے ذیلی سطح کی جدید ذرائع سے منظر کشی بھی کرتی ہے۔

۱۰۔ معاشی اور سیاسی خطرات:

معاشی اور سیاسی عدم استحکام کے نتیجے میں اقتصادی اور مالیاتی بازاروں کا غیر محفوظ ہونا۔

۱۱۔ باہمی شراکت دار:

ہم باہمی شراکت کے ماحول میں کام کر رہے ہیں اور ہمارے کئی منصوبے دیگر شراکت دار چلاتے ہیں۔ ہمارے تھوڑے حصے کی وجہ سے کئی دفعہ شراکت داروں پر اثر انداز ہونے کی صلاحیت محدود ہو جاتی ہے۔ کئی اہم فیصلوں پر ہم آہنگی نہ ہونا ان منصوبوں کے معاملات میں تاخیر کا سبب بن سکتا ہے۔ اس کے تدارک کے لئے ہم شراکت داروں سے باہم رابطے میں رہتے ہیں۔

یہ تحقیق اپنے اور بیرون G&G ذرائع اور ذخائر کے مطالعہ کے ذریعے کی جاتی ہے۔ تحقیق اس لئے بھی کی جاتی ہے تاکہ فیلڈز سے حاصل ہونے والی پیداوار کو نہ صرف برقرار رکھا جائے بلکہ اس میں مزید اضافہ کیا جائے۔ ان اترقیاتی کنوؤں کی کھدائی کے ساتھ ساتھ جو

ذیلی ادارہ :

کیپ گیس (پرائیویٹ) لمیٹڈ :

اس سال کیپ گیس نے ۲۹.۷۸ ملین روپے منافع کمایا (۲۰۱۷: ۲۶.۹۷ ملین روپے) اس سال گل ۲۵۰ فی صد منافع کا اعلان کیا گیا ہے۔ (۲۰۱۷: ۲۱۰ فی صد) کمپنی نے یومیہ اوسطاً ۲۵ میٹرک ٹن مائع پٹرولیم گیس آہدی پلانٹس سے اور اوسطاً ۲.۸ میٹرک ٹن پارکو سے حاصل کی۔

خام تیل کی نقل و حمل :

کھوڑ خام تیل ڈیکٹنگ کی سہولت پر اطمینان بخش طریقے سے کام ہو رہا ہے۔ دوران سال اس سہولت اور پائپ لائن کے ذریعے ۹.۵ ملین بیرل خام تیل (۲۰۱۷: ۸ ملین بیرل) شپ (Nashpa)، تیل بلاک اور دیگر مقامات سے انک ریفاٹری لمیٹڈ کو پمپ کیا گیا۔

کمپنی کو درپیش خطرات اور ان کا تدارک

بورڈ ایک اہم انتظامی مہارت کے طور پر کاروباری رسک مینجمنٹ کے بنیادی فلسفہ پر کاربند ہے۔ بورڈ نے ممکنہ خطرات کی نشاندہی اور تدارک کے لئے منظم منصوبہ بندی کی ہے۔ کمپنی اپنی رسک مینجمنٹ پالیسی پر نہ صرف عمل درآمد کرتی ہے بلکہ اس کی مسلسل نگرانی اور اس میں بہتری لانے کے لیے کوشاں رہتی ہے اس کے لئے ضروری ہے کہ کمپنی کے سٹریٹیجک اور آپریشنل مقاصد سے آگاہی حاصل کی جائے اور کمپنی کو میسر مواقع اور اس کو درپیش خطرات کی نشاندہی کی جائے۔

کمپنی کو درپیش کچھ بڑے ممکنہ خطرات مندرجہ ذیل ہیں:

۱۔ تیل کی قیمت میں اتار چڑھاؤ:

کمپنی کی تیل اور گیس کی قیمتیں بین الاقوامی خام تیل اور متعلقہ مصنوعات سے منسلک ہیں۔ بین الاقوامی قیمتوں میں ناموافق تبدیلی کمپنی کے منافع پر منفی اثر ڈالتی ہے۔

۲۔ تیل کے ذخائر کا دریافت نہ ہونا:

دریافتی عمل کے دوران ہائیڈروکاربنز کے مناسب مقدار میں نہ ملنے کا قوی امکان رہتا ہے۔ اس کی بڑی وجوہات میں رقبے یا کھدائی کی جگہ کا غلط انتخاب، غیر معیاری ارضیاتی اعداد و شمار یا اس کی پروسنگ میں غلطیاں شامل ہیں۔ ان ممکنہ خطرات کا تدارک کرنے کے لیے کمپنی تجربہ کار ماہرین کی خدمات حاصل کرتے ہوئے جدید ترین ٹیکنالوجی کا استعمال یقینی بناتی ہے۔

۳۔ کھدائی کے دوران درپیش ممکنہ خطرات:

تیل اور گیس کے لیے کھدائی فطری طور پر خطرات سے بڑھے جن میں کنویں کا نذر آتش ہونا، پائپ یا دیگر آلات پھنس جانا، آگ کے حادثات اور کام کے دوران چوٹ لگ جانا شامل ہیں۔ اس کے علاوہ مناسب مقدار میں تیل یا گیس نہ دریافت ہونے سے کمپنی کی آمدنی پر منفی اثر پڑتا ہے۔ ان خطرات کے تدارک کے لیے کمپنی منوٹر اور پیشہ ور ٹیموں کا انتخاب کرتی ہے اور رگ اور اس سے وابستہ خدمات اور آلات کے لیے بھی اعلیٰ معیار کو یقینی بنایا جاتا ہے۔ اس کے علاوہ تمام کنوؤں کے لیے دوران کھدائی کنویں کی کنٹرول کی انشورنس کرائی جاتی ہے۔

۴۔ تیل اور گیس کے اہم فیئلڈز (قطععات) کی کارکردگی میں کمی:

کمپنی کی مستقبل کی آمدنی اور منافع اس کے تیل اور گیس کی فیئلڈز کی پیداوار اور ذخائر پر منحصر ہے۔ فیئلڈز کی اصل پیداوار تیل اور گیس کے ذخائر کی کارکردگی میں کمی یا پیداوار سے متعلقہ دیگر عوامل کی وجہ سے اندازوں سے یکسر مختلف ہو سکتی ہے۔

۵۔ منصوبہ بندی سے متعلق ممکنہ خطرات:

کاروبار میں ممکنہ خطرات سے نمٹنے کا بندوبست کرنا کوئی نیا رجحان نہیں مگر بدلتے ہوئے عالمی ماحول میں اچھے طریقے سے تدارک کرنا ایک اہم چیلنج ہے۔ خریداری کے عمل میں کمزوری کو کمپنی کے منافع کے لیے ممکنہ خطرے کے طور پر دیکھا جاسکتا ہے۔ یہ کمزوری مندرجہ ذیل ممکنہ خطرات کو جنم دے سکتی ہے:

۱۔ کاروباری خطرات

۲۔ انتظامی سامان کا وقت پر نہ موجود ہونا

۳۔ معاہدوں سے متعلق جرمانوں کا امکان ہونا

کمپنی ان ممکنہ خطرات کے تدارک کے لیے کھدائی شروع کرنے سے پہلے کنویں کا تفصیلی خاکہ تیار کرتی ہے اور جس سامان کے بچنے میں طویل مدت درکار ہوتی ہے، ان کی خریداری کا پہلا آرڈر دے دیا جاتا ہے۔

۶۔ ذخائر کے متعلق خطرات:

ذخائر اور پیداوار کے غلط زائد تخمینہ کے نتیجے میں ضرورت سے بڑے پلانٹ کی مد میں سرمایہ ضائع ہو سکتا ہے۔ اس لیے اس خطرے کو کم کرنے کے لیے جہاں تک ممکن ہو کمپنی ایک خود مختار ادارے سے ذخائر کی تصدیق کرواتی ہے۔

ڈائریکٹر رپورٹ

مارگلہ (۳۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) میں بقایا امکانات کا جائزہ لینے کے لئے اضافی ۲۵۹.۳۹ مربع کلومیٹر علاقے کا جائزہ لیا جا رہا ہے۔

تل (زیر انتظام مول جہاں پی او ایل کا قبل از تجارتی پیداوار حصہ ۲۵ فی صد ہے) میں ممکن حد تک گہرائی کے علاقے دریافت کرنے کے لئے 2D/3D ارضیاتی اعداد و شمار کو پرکھنے کا عمل جاری ہے۔ تل غربی دریافت کرنے کے لئے ۵۰۰ مربع کلومیٹر علاقے میں 3D ارضیاتی اعداد و شمار کے حصول کی منصوبہ بندی کر لی گئی ہے۔ مامی خیل جنوبی دریافتی کنویں کی منظوری دی جا چکی ہے۔

تولج شرقی-۱ دریافتی کنویں کی کھدائی کا آغاز ۲۷ اپریل، ۲۰۱۷ء کو ہوا تھا۔ مطلوبہ ہدف تک کھدائی مکمل ہونے کے بعد جانچ کی گئی ہائیڈروکاربنز نہیں ملے اور کوئی کامیابی نہ ملنے کی بناء پر کنویں کو بند کر کے کام ترک کر دیا گیا۔

مامی خیل ڈیپ-۱، ۱۶ دسمبر، ۲۰۱۷ء کو ایک دریافتی کنویں کی کھدائی کا آغاز ہوا اور مطلوبہ ہدف تک کھدائی مکمل ہونے کے بعد سال کے اختتام پر جانچ ہوئی لیکن ہائیڈروکاربنز نہ ملنے کی بناء پر کنویں کو بند کر دیا گیا اور دوبارہ تشخیص تک کام مؤخر کر دیا گیا۔

گرگلوٹ (زیر انتظام اوجی ڈی سی ایل جہاں پی او ایل کا ۲۰ فی صد حصہ ہے) میں 3D ارضیاتی اعداد و شمار کے حصول پر کام جاری ہے

اور اب تک ۳۲۰ مربع کلومیٹر زمین سے ۲۷۴ مربع کلومیٹر کے اعداد و شمار ریکارڈ کیے جا چکے ہیں۔ تمام نشاندہی شدہ لیڈز کا احاطہ کرنے کے لئے ارضیاتی اعداد و شمار کا منصوبہ بنایا گیا ہے۔

کستال (زیر انتظام پی پی ایل جہاں پی او ایل کا حصہ ۲۵ فی صد ہے) میں پہلا دریافتی کنواں مصریال-1 کی گہرائی کے مطلوبہ ہدف تک کھدائی ہوئی اور اس وقت یہ کنواں جانچ پڑتال کے مراحل سے گزر رہا ہے۔ مزید امکان کا اندازہ کرنے کے لئے ۶۳.۲۵ لائن کلومیٹر میں 2D ارضیاتی اعداد و شمار کا منصوبہ بنایا گیا ہے۔

آہدی جنوبی X-1: ۳۰ جون ۲۰۱۷ء کو دریافتی کنویں کی کھدائی کا آغاز ہوا تھا اور ہدف تک کھدائی کے بعد جانچ کی گئی اور یہاں سے روزانہ ۱،۵۵۰ بیرلز تیل اور ۲۰۶ ملین مکعب فٹ گیس psi ۹۶۰ بہاؤ کے دباؤ اور ۳۲/۶۳ چوک سائز پر حاصل ہوئی تیل کی یہ دریافت آہدی کے جنوبی حصے میں ہوئی جس کی تشخیص کے پروگرام کا جائزہ لیا جائے گا۔ پیداواری پائپ لائن کی تکمیل کے بعد یہ کنواں اس سے منسلک کر دیا جائے گا۔

آہدی-۱۵ پراضیاتی کام مکمل کیا گیا اور یہاں سے روزانہ حاصل ہونے والی پیداوار ۲،۶۱۸ بیرلز تیل کنڈنسٹ اور ۱۴.۴۳ ملین گیس ہے۔

جھل گیس جنوبی فیلڈ (زیر انتظام اوجی ڈی سی ایل جہاں پی او ایل کا حصہ ۲۴ فی صد ہے) پلانٹ کی تنصیب کا کام روک دیا گیا ہے کیونکہ سوئی سدرن گیس کمپنی لمیٹڈ (SSGCL) کی جانب سے پائپ لائن بچھانے کا حتمی فیصلہ نہیں کیا گیا۔

رتانہ (زیر انتظام اوٹن پاکستان لمیٹڈ جہاں پی او ایل کا حصہ ۵۴.۴۵ فی صد ہے) میں ۳۷.۸۶ مربع کلومیٹر کے 3D ارضیاتی اعداد و شمار حاصل کرنے کے لئے ہیں اور ان پر عمل جاری ہے۔

دریافتی بلاکس :

اخلاص (۸۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) اخلاص کے علاقے میں مزید آگے بڑھنے کا کام جاری ہے۔ ڈھیال فیلڈ کی تشخیص کی رپورٹ بشمول ڈھیال ڈیپ تیار کی جا رہی ہے۔ لنگڑیال کے امکانات کے ارضیاتی اعداد و شمار کی منصوبہ بندی جاری ہے۔ اس وقت چند نیال-۱ زیر تشخیص ہے اور روزانہ ۲۸۳ بیرلز تیل اور ۶.۵۳ ملین مکعب فٹ گیس حاصل ہو رہی ہے۔

ڈی جی خان (۷۰ فی صد حصص کے ساتھ پی او ایل کے زیر انتظام) میں گذشتہ حاصل ہونے والے 2D ارضیاتی اعداد و شمار میں نئی لیڈز متعین کی ہیں۔ اسی طرح ۲۶۳ لائن کلومیٹر کے 2D اعداد و شمار حاصل ہو گئے ہیں۔ اس وقت اعداد و شمار پر عمل جاری ہے۔

ڈائریکٹرز رپورٹ

کیش کا بہاؤ :

ایس سال کیش اور کیش کے مساوی میں ۳۵۱ ملین روپے کا اضافہ ہوا (۲۰۱۷ : یہ اضافہ ۳۱۸ ملین روپے رہا)۔ انتظامی سرگرمیوں کی وجہ سے ۱۹۳۳ ملین روپے مہیا ہوئے جو کہ گذشتہ برس کی نسبت ۲۳۳۱ فی صدزائد تھے۔

معیشت میں شراکت :

کمپنی ملنگ کے تیل و گیس کے شعبے میں اہم کردار جاری رکھے ہوئے ہے۔ دوران سال کمپنی نے ملنگ کے لئے ۲۶۵ ملین ڈالر کا سرمایہ لے لیا (۲۰۱۷ : ۳۳۲ ملین ڈالر)، رائلٹی اور دیگر حکومتی مالیات کی مد میں ۱۴۱ ملین روپے (۲۰۱۷ : ۲۰۲ ملین روپے) ملنگی خزانے میں شامل کیے۔

منافع :

ڈائریکٹرز نے ہر پانچ حصص کے لیے ایک حصہ کے تناسب ۲۰ فی صد (۲۰۱۷ : صفر) سے اضافی حصص (Bonus shares) کی تجویز دی ہے جو کہ کمپنی کے فری ریزرو سرمایہ کاری کی مالیت کا ۳۰۹ ملین روپے بنتا ہے۔

ڈائریکٹرز نے حتمی نقد منافع ۲۵۰% (۲۵ روپے فی حصص) تجویز کیا ہے۔ یہ منافع پہلے سے اعلان کردہ اور حصص داران کو اداشدہ عبوری نقد منافع ۱۷۵% (۵۰ روپے فی حصص) کے علاوہ ہے یوں برائے سال ۱۸-۲۰۱۷ فی حصص کل نقد منافع ۲۲۵۰ روپے فی حصص رہا (۲۰۱۷ : کل نقد منافع ۲۰۰ روپے فی حصص)

پیداوار :

کمپنی کی اپنی اور دیگر انتظامی و غیر انتظامی مشترکہ منصوبوں سے حاصل ہونے والی پیداوار کا موازنہ درج ذیل ہے :

جون ۲۰۱۷	جون ۲۰۱۸		
۲،۲۶۹،۷۹۵	۲،۶۶۲،۲۵۲	یو ایس بیرل	خام تیل Condensate
۲۸،۴۶۰	۳۱،۹۷۰	ملین کیوبک فٹ	گیس
۵۸،۳۵۲	۶۲،۰۶۵	میٹرک ٹن	مائع پٹرولیم گیس
۵۶۶	۶۶۷	میٹرک ٹن	سلفر
۱۸،۸۲۲	۲۲،۱۲۹	یو ایس بیرل	سالونٹ آئل

اللہ کے نام سے شروع جو بڑا مہربان نہایت رحم والا ہے

السلام علیکم! ڈائریکٹرز کو ۳۰ جون ۲۰۱۸ کو ختم ہونے والے سال کے لئے کمپنی کی سرگرمیوں اور مالیاتی نتائج کا ایک مختصر جائزہ پیش کرنے میں خوشی محسوس ہو رہی ہے۔

مالیاتی نتائج :

خلاصہ درج ذیل ہے:

رقم (۰۰۰)	
۱۴،۳۵۲،۷۴۹	منافع تمام اخراجات کے بعد
(۲،۹۶۸،۸۱۵)	ٹیکسیشن
۱۱،۳۸۳،۹۳۴	منافع بعد از ٹیکس

الحمد للہ ایس سال کمپنی نے بعد از ٹیکس ۱۱،۳۸۳ ملین روپے نفع کمایا جو گذشتہ برس (۲۰۱۷ : ۹،۶۷۸ ملین روپے) کے مقابلے میں ۱۷.۶۲ فی صدزائد ہے۔ یہ منافع ظاہر کرتا ہے کہ اس سال فی حصص آمدنی ۲۸.۱۳ روپے رہی (۲۰۱۷ : ۲۰.۹۳ روپے فی حصص)۔ بحیثیت مجموعی خالص فروخت (Net Sales) ۵،۳۸۵ ملین روپے (۱۹.۷۴ فی صد) بڑھی۔ جس کی بڑی وجہ خام تیل کی ۸۳ فی صد پیداوار کا بڑھنا اور ۷.۷۲ فی صد خام تیل کی اوسط قیمت میں اضافہ رہا۔ خام تیل کی یہ پیداوار گذشتہ دس برسوں میں سب سے زیادہ رہی۔ خام تیل، گیس اور مائع پٹرولیم گیس کی پیداوار میں بالترتیب ۸۳، ۷، ۱۲،۳۳ اور ۶،۳۶۶ فی صد اضافہ ہوا۔ فروخت کے اخراجات میں ۱۷.۵۷ فی صد اضافہ ہوا جس کی بڑی وجہ رائیٹی اور Amortisation کے اخراجات میں اضافہ ہے۔ دریافتی اخراجات میں ۵۲۲،۵۲۲ ملین اضافہ ہوا جس کی بڑی وجہ بلکسر، ڈی جی خان اور گرگلوٹ میں سسٹم ایکویزیشن اور اس کے علاوہ توج مشرقی اور جو یا میر ڈیمپ کنویں کو بند کرنے کے اخراجات ہیں۔

دوران سال کمپنی کا بعد از ٹیکس مجموعی منافع ۱۱،۷۰۲ ملین روپے رہا (۲۰۱۷ : ۱۱،۹۰۵ ملین روپے) جو ظاہر کرتا ہے کہ فی حصص مجموعی منافع ۲۹.۳۷ روپے (۲۰۱۷ : ۲۰.۲۳ روپے فی حصص) رہا۔

دریافتی سرگرمیوں کو ہر جغرافیائی علاقے کی تفصیل کے ساتھ اس رپورٹ میں آگے بیان کیا گیا ہے۔

OTHER CORPORATE GOVERNANCE

PERFORMANCE EVALUATION OF THE BOARD

The Board of Directors acts as governing trustees of the Company on behalf of the shareholders, while carrying out the Company's mission and goals.

The Board of Directors sets the following evaluation criteria to judge its performance.

- a. Review of the strategic plans and business risks, monitor Company's performance against the planned objectives and advise the management on strategic initiatives.
- b. Working as a team, the Board has the right blend of skills, expertise and the appropriate degree of diversity. Board Meetings are properly focused on significant matters such as strategy and policy.
- c. Establishing adequate internal control system in the Company and its regular assessment through self assessment mechanism and internal audit activities.
- d. Relations with key Stakeholders like Regulators, Employers, Shareholders and CBA are productive and supported by regular and open communication.
- e. Building interaction with the Management to seek and obtain sufficient input from management to support effective Board decision-making.
- f. Ensuring that the Directors have full & common understanding of their role and responsibilities in the light of Memorandum & Articles of Association of the Company and as per prevailing laws.
- g. Monitoring and evaluating the management's performance.

During the year, Board's performance was carried out internally and no external consultant was engaged.

ROLE OF CHAIRMAN & CHIEF EXECUTIVE

The Chairman heads the board meetings and is entrusted to ensure the effective functioning of the Board. The Chairman act as a liaison between management and the Board. He has power to set agenda, deliver instructions and sign the minutes of the board meeting. The Chairman ensures that the Directors are properly informed that sufficient information is provided to enable them to form appropriate judgments. The Chairman evaluates annually the effectiveness of the Board as a whole.

The Chief Executive (CE) is the executive director who also acts as the head of the company's management. The CE is responsible for leading the development and execution of the Company's long term strategy with a view to enhance shareholder value. The CE's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long and short term plans. The CE also communicates on behalf of the Company to the shareholders, employees, Government authorities and other stakeholders.

PERFORMANCE EVALUATION OF THE CHIEF EXECUTIVE

The Chief Executive, being part of the Board, is present in every meeting of the Board.

The CE provides an overview of the Company's performance to the Board and addresses any specific questions by the Board members. The performance of the CE is assessed through the evaluation system set by POL. The principle factors of evaluation include financial performance, business processes, compliance, business excellence and people management.

FORMAL ORIENTATION AT INDUCTION

When a new member is taken on board it is ensured that he is provided with a detailed orientation of the Company. Orientation is mainly focused on Company's vision, strategies, core competencies, organizational structure, related parties, major risks (both external and internal) including legal and regulatory risks and role and responsibility of the directors as per regulatory laws applicable in Pakistan along with an over view of the strategies plans, marketing analysis, forecasts , budget and business plan.

DIRECTORS TRAINING PROGRAMME

The Company ensures that it congregates requirements of Securities & Exchange Commission of Pakistan (SECP) and meets the terms of criteria of Directors' Training Programme (DTP) by attaining certification.

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

BOARD MEMBERS' CONFLICT OF INTEREST

Following the guidelines of the code of conduct, every Director on the Board is required to disclose about his interest in any contract, agreement or appointment etc (if any). Any conflict of interest relating to members of Board of directors is dealt as per provisions of Companies Act, 2017 and rules and regulations of SECP and Pakistan Stock Exchange. However, no conflict among the members was raised during the year.

OTHER CORPORATE GOVERNANCE

STAKEHOLDERS' ENGAGEMENT

At POL, a vigorous engagement takes place to understand and respond to our legitimate stakeholder concerns. Our key stakeholders are:

- Shareholders
- Customers (POLGAS distributors)
- Suppliers
- Banks
- Employees
- General public
- Government and Regulatory Authorities

The frequency of engagements is based on business needs and corporate requirements as specified by the Code of Corporate Governance, or as contracted, under defined procedures.

ISSUES RAISED AT LAST AGM

Apart from general clarifications requested by the shareholders about the Company's financial performance and published financial statements during the 66th Annual General Meeting held on October 19, 2017, no significant issue was raised.

ADDRESSING INVESTORS GRIEVANCES

The interest of small investors and minority shareholders is of prime importance to the Company. In order to keep a vigilant eye and to provide a platform to the investors for voicing their concerns, a team under corporate section has been designated to ensure that grievances/complaints of the investors are heard and redressed, in a quick and efficient manner.

Mechanism of lodging any complaint/issues is detailed on the website of the Company. Designated contact numbers and email address of the Company / Regulator is disseminated among investor through company broadcasts.

In order to promote investor relations and facilitate access to the Company for grievance, an 'Investors' Relations' section is also maintained on POL's website www.pakoil.com.pk.

SAFEGUARDING OF RECORDS OF THE COMPANY

POL effectively ensures the safety of records. All records are retained as long as they are required to meet legal, administrative, operational and other requirements of the Company.

Furthermore, the Company keeps systematic backup of the record on daily basis for protection of data and its recovery in case of any catastrophe.

INFORMATION TECHNOLOGY (IT) GOVERNANCE POLICY

POL has implemented an IT Governance Policy. 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.

BOARD REVIEW OF BUSINESS CONTINUITY / DISASTER RECOVERY PLAN

The board ensure that effective Business Continuity / Disaster Recovery plan for the Company's is in place which provides a structured approach to minimize the impact of a disaster and an efficient way for continuation of company's activities.

RELATED PARTY TRANSACTIONS

All transactions with related parties are reviewed and approved by the Board on quarterly basis fulfilling the requirements of section 208 of the Companies Act, 2017.

ACCESS OF SHAREHOLDERS ON COMPANY'S WEBSITE

All our shareholders and general public can visit the Company's website "www.pakoil.com.pk" which has dedicated section for investors containing information related to annual, half yearly and quarterly financial statements and to have a glance on shareholders' related information.

SHARE PRICE SENSITIVITY

The Company disseminates all material and price sensitive information to the Pakistan Stock Exchange (PSX) through Pakistan Unified Corporate Action Reporting System (PUCARS).

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 24. of the financial statement.

Revenue from two major customers of the Company constitutes 68% of the total revenue during the year ended June 30, 2018 (June 30, 2017: 64%).

PERFORMANCE INDICATORS

RATIOS FOR SIX YEARS

Description	2013	2014	2015	2016	2017	2018
	(Rupees millions unless otherwise stated)					
PROFIT & LOSS SUMMARY						
Net sales						
Crude oil	15,390	21,451	16,266	9,652	12,036	17,598
Gas	8,157	8,945	7,760	9,627	9,500	8,573
POLGAS-Refill of cylinders	5,054	4,831	6,654	5,373	5,608	6,306
Solvent oil	245	273	189	186	131	180
Sulphur	32	40	12	10	6	8
Total Net Sales	28,878	35,540	30,881	24,848	27,281	32,665
Cost of sales	12,616	16,531	14,614	13,605	13,209	15,529
Gross profit	16,262	19,009	16,267	11,243	14,072	17,136
Exploration costs	1,793	1,710	4,729	2,052	1,468	2,990
Administration expenses	93	122	140	140	109	170
Finance costs	830	654	987	1,022	746	1,919
Other charges	949	1,140	485	560	809	967
Other income	1,954	1,823	1,563	1,411	1,473	3,262
Profit before taxation	14,551	17,206	11,489	8,880	12,413	14,352
Provision for taxation	3,723	4,319	3,030	1,646	2,734	2,969
Profit for the year	10,828	12,887	8,459	7,234	9,679	11,383
Earnings before interest, taxes, depreciation and amortization (EBITDA)	17,282	23,351	15,789	12,751	16,200	18,897
Dividends	10,645	12,419	9,462	8,279	9,462	10,053
BALANCE SHEET SUMMARY						
Paid-up capital	2,365	2,365	2,365	2,365	2,365	2,365
Reserves	1,759	1,760	1,760	1,760	1,760	1,760
Unappropriated profit	28,824	31,071	28,239	26,028	27,373	28,643
Deferred liabilities	12,234	13,701	13,819	15,637	14,999	15,643
Long term deposits	518	638	725	831	847	837
Current liabilities	7,939	8,334	8,536	9,096	10,307	20,917
Fixed assets (less depreciation)	7,801	9,306	10,489	10,421	9,855	9,405
Development & decommissioning costs	16,610	13,161	12,412	14,585	13,373	12,597
Exploration & evaluation assets	2,979	4,667	2,661	901	1,884	2,591
Long term investment	9,621	9,621	9,622	9,622	9,622	9,622
Other long term assets	16	16	15	12	17	15
Current assets	16,612	21,098	20,245	20,176	22,900	35,937
CASH FLOWS						
Operating activities	12,559	18,248	13,035	12,467	15,674	19,327
Investing activities	(5,202)	(4,276)	(2,172)	(3,071)	(3,916)	(3,361)
Financing activities	(12,995)	(10,624)	(11,240)	(9,444)	(8,275)	(10,022)
Exchange rate effect	306	229	165	197	(65)	1,407
Cash and cash equivalents at year end	7,249	10,826	10,614	10,764	14,182	21,533
Free Cash Flows	5,573	12,849	10,000	8,604	10,661	14,551

PERFORMANCE INDICATORS

RATIOS FOR SIX YEARS

Description		2013	2014	2015	2016	2017	2018
(Rupees millions unless otherwise stated)							
KEY FINANCIAL RATIOS							
Profitability Ratios							
Gross profit	%	56.31	53.49	52.68	45.25	51.58	52.46
Net profit	%	37.50	36.26	27.39	29.11	35.48	34.85
EBITDA margin to sales	%	59.84	65.70	51.13	51.32	59.38	57.85
Operating leverage	Time	0.78	0.91	0.67	0.65	0.76	0.83
Return on equity	%	32.86	36.61	26.14	23.99	30.73	34.74
Return on average capital employed	%	31.80	37.82	25.04	22.14	30.31	36.18
Liquidity Ratios							
Current ratio	Time	2.09	2.53	2.37	2.22	2.22	1.72
Quick ratio	Time	1.61	2.04	1.84	1.70	1.81	1.53
Cash to current liabilities	Time	0.91	1.30	1.24	1.18	1.38	1.03
Cash flow from operations to sales	%	43.49	51.34	42.21	50.17	57.45	59.17
Activity / Turnover Ratios							
Inventory turnover ¹	Time	-	-	-	-	-	-
Inventory turnover ¹	Days	-	-	-	-	-	-
Debtors turnover	Time	7.33	7.13	7.21	7.29	8.23	5.66
Average collection period	Days	49.80	51.19	50.62	50.07	44.35	64.49
Creditors turnover ¹	Time	-	-	-	-	-	-
Average payment period ¹	Days	-	-	-	-	-	-
Total assets turnover	Time	0.55	0.64	0.55	0.45	0.48	0.51
Fixed assets turnover	Time	1.15	1.30	1.17	0.97	1.07	1.31
Operating cycle ¹	Time	-	-	-	-	-	-
Investment / Market Ratios							
Earnings per share - basic	Rs	45.78	54.48	35.76	30.58	40.92	48.13
Price earning ratio	Times	10.87	10.54	11.29	11.36	11.20	13.96
Cash dividend yield	%	10.41	9.80	8.18	9.32	9.93	7.52
Cash dividend payout	%	98.31	96.37	111.86	114.45	97.76	88.31
Cash dividend cover	%	101.72	103.77	89.40	87.38	102.29	113.24
Cash dividend per share	Rs	45.00	52.50	40.00	35.00	40.00	42.50
Bonus shares	%	-	-	-	-	-	20.00
Market value / share at year end	Rs	497.37	574.30	403.82	347.48	458.15	671.79
Market value/share-high during the year	Rs	530.00	580.00	602.99	405.80	570.00	719.00
Market value/share-low during the year	Rs	368.99	425.00	305.57	188.65	344.55	419.90
Market value/share-average during the year	Rs	445.55	510.22	440.76	302.06	452.02	587.07
Break-up value (Net assets/shares)	Rs	139.29	148.79	136.82	127.47	133.16	138.53
Capital Structure Ratios							
Financial leverage ratio ²	%	-	-	-	-	-	-
Weighted average cost of debt ²	%	-	-	-	-	-	-
Debt: equity ratio ²	%	-	-	-	-	-	-
Interest cover ²	Time	-	-	-	-	-	-
OTHER INFORMATION							
Contributu in to national exchequer	(Rs millions)	9,145	11,192	9,348	6,633	8,202	10,714
Foreign exchange savings	(US \$ million)	593	650	598	249	332	465
Market Capitalization	(Rs millions)	117,651	135,848	95,522	82,195	108,374	158,909
No. of Shareholders		4,190	4,086	5,682	6,869	5,738	4,954

Notes:

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

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

ANALYSIS OF PERFORMANCE INDICATORS

LIQUIDITY RATIO

The overall liquidity ratio of POL is satisfactory and geared towards enhanced liquidity with operating activities generating enough cash to meet majority of company needs including the investments activities. Decrease in ratios from the previous year is mainly because of additional revenue on account of enhanced gas price incentive of Rs 8,528,240 thousand including sales tax of Rs 1,239,071 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables" and explained in detail in note-24.1 of the Financial Statements.

PROFITABILITY RATIO

The overall profitability ratio has seen regular improvement and generating healthy average growth. This growth is driven by increase in sales volume of crude oil and gas by 7.6% and 12.5% respectively as compared to previous year. Curde oil price has also increased by 27.7%.

ACTIVITY / TURNOVER RATIOS

POL has seen effective utilization of its assets base to generate high multiples of revenue consistently. Operating cycle has been effectively kept in range, which has been helped by minimal credit sales and improved collection of receivables.

INVESTMENT / MARKET RATIOS

POL core objective is to generate consistently high returns for its valued shareholders. This is reflected in steady increase in earnings of the past years and consistently dividend to its valued shareholders. POL shares are highly valued by investors and is considered as a blue chip investments due to high price earnings ratio. Share price of POL increased during the year which is testament to company ability to generate sound returns for the shareholders' and trust of investments community's in the company's ability.

ECONOMIC ADDED VALUE (EVA)

	Rs. in million	
	2018	2017
Net Profit after tax	11,384	9,679
Invested Capital	32,769	31,498
WACC	13%	13%
EVA	7,268	5,733

The above positive outcomes in 2017 & 2018 in EVA means that the company is creating value with its invested capital. Increase in the current year is mainly due to increased sales contributed both by volume and price.

FREE CASH FLOWS

	Rs. in million	
	2018	2017
Free Cash Flows	14,551	10,661

Free Cash Flows for the year is higher as payment was recieved (including arrears) on account of additional revenue due to enhanced gas price incentive for Tal block.

This has been explained in detailed in note 24.1 of the financial statements.

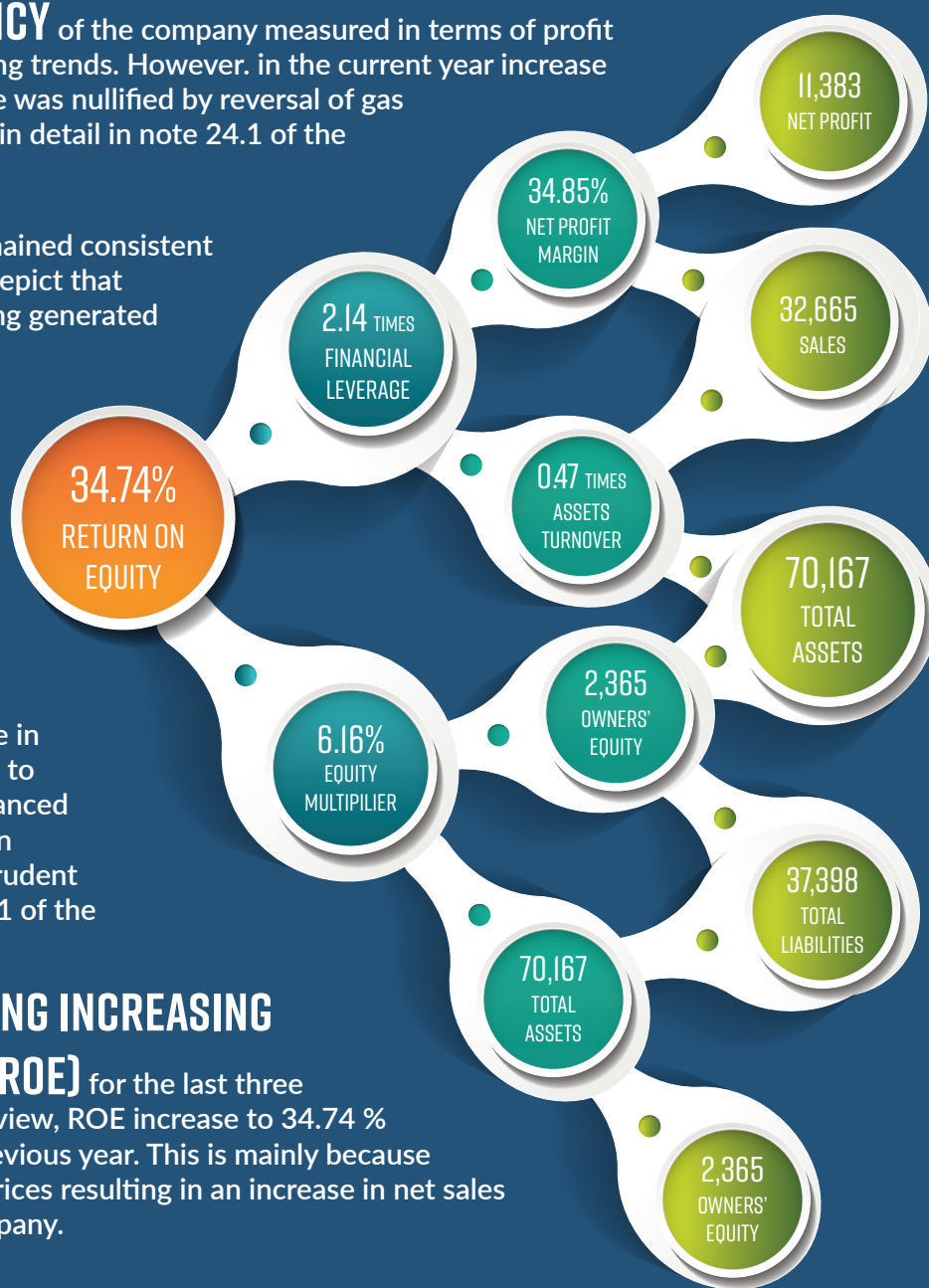
DUPONT ANALYSIS

OPERATING EFFICIENCY of the company measured in terms of profit margins has shown increasing trends. However, in the current year increase in volume and price variance was nullified by reversal of gas price incentive as disclosed in detail in note 24.1 of the financial statements.

ASSET TURNOVER remained consistent with previous years which depict that increasing revenues are being generated by effectively utilizing Company's resources.

EQUITY MULTIPLIER has remained consistent in previous years depicting that the increase in assets have effectively improved the equity of the company. However, increase in current period is mainly due to recovery on account of enhanced gas price which has not been recognized as revenue on prudent basis as detailed in note 24.1 of the Financial statements.

POL HAS BEEN POSTING INCREASING RETURN ON EQUITY (ROE) for the last three years. For the year under review, ROE increase to 34.74 % as against 30.73% in the previous year. This is mainly because of an increase in crude oil prices resulting in an increase in net sales and profitability of the Company.

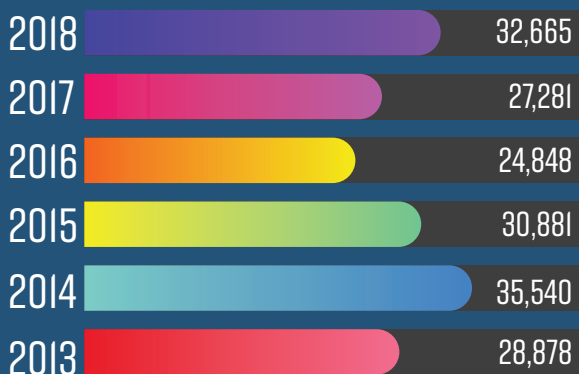


	2015	2016	2017	2018
Net Profit Margin	27.39%	29.11%	35.48%	34.85%
Asset Turnover	0.56	0.45	0.47	0.47
Equity Multiplier	1.71	1.85	1.83	2.14
Return on Equity	26.14%	23.99%	30.73%	34.74%

PERFORMANCE INDICATORS

INFOGRAPHICS

NET SALES (Rs in million)



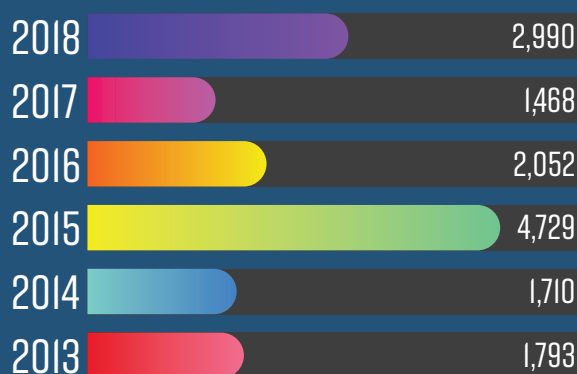
COST OF SALES (Rs in million)



GROSS PROFIT (Rs in million)



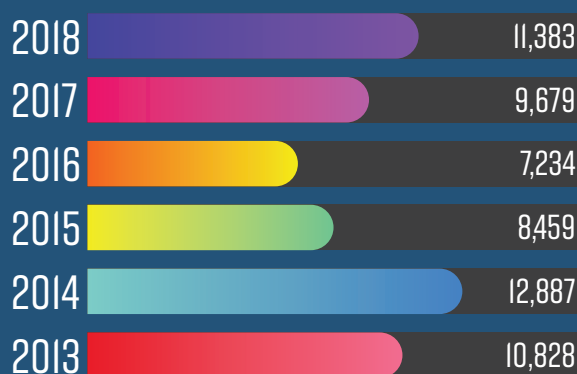
EXPLORATION COSTS (Rs in million)



TAXATION (Rs in million)



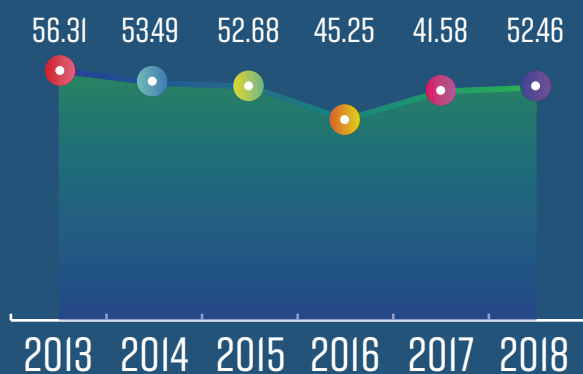
PROFIT AFTER TAX (Rs in million)



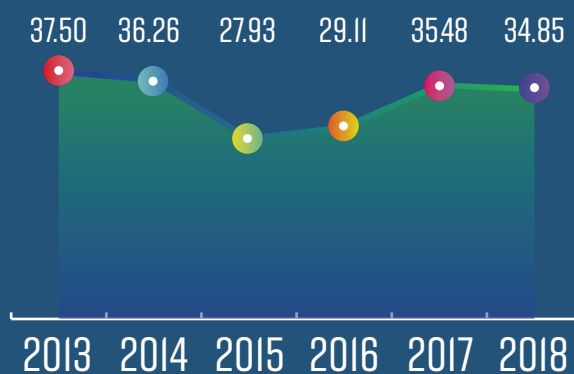
PERFORMANCE INDICATORS

INFOGRAPHICS

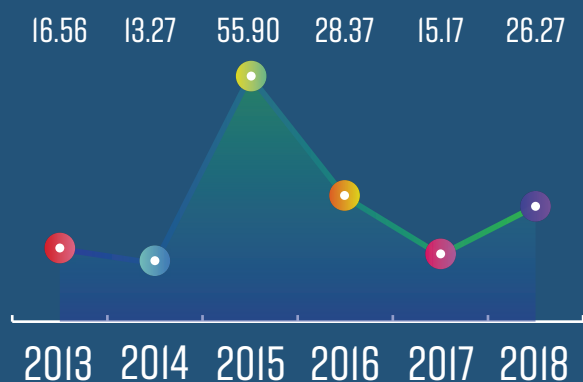
GROSS PROFIT MARGIN
(%)



NET PROFIT MARGIN
(%)



EXPLORATION COST AS % OF NET PROFIT
(%)



EARNINGS PER SHARE
(Rs)



BREAK-UP VALUE PER SHARE
(Rs)



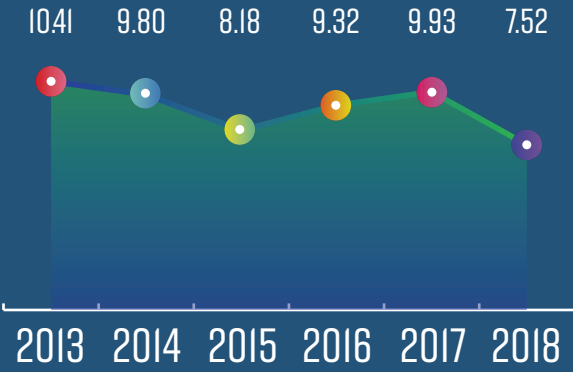
DIVIDEND PER SHARE
(Rs)



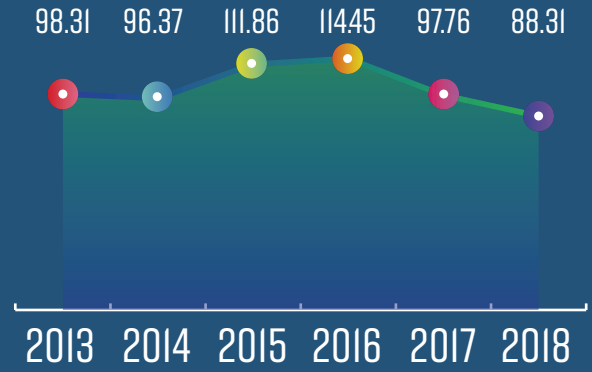
PERFORMANCE INDICATORS

INFOGRAPHICS

CASH DIVIDEND YIELD (%)



CASH DIVIDEND PAYOUT (%)

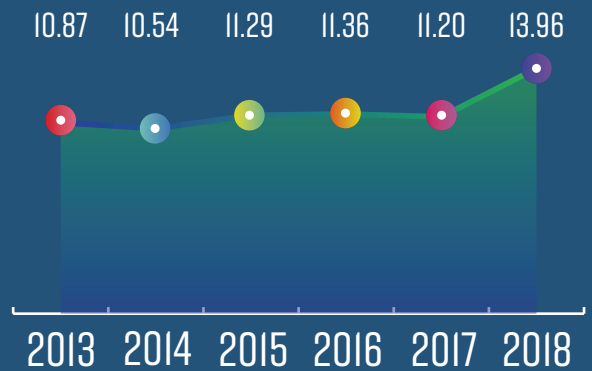


CASH DIVIDEND PAYOUT (Rs in million)

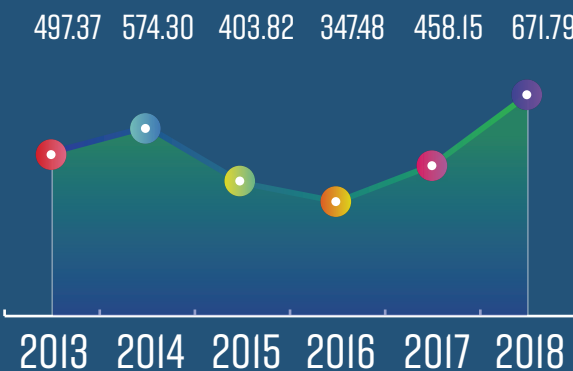


In 2018, 20% bonus share recommended by Board

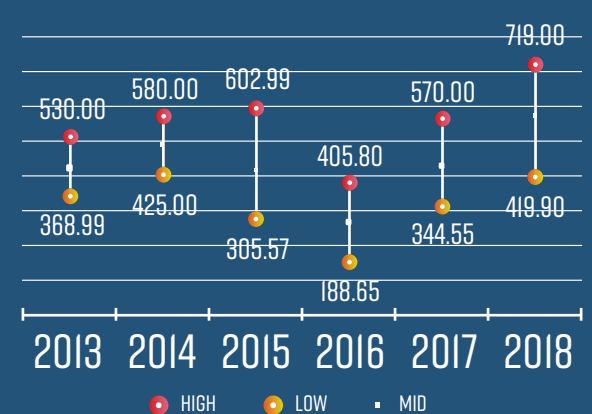
PRICE EARNINGS RATIO (%)



MARKET VALUE PER SHARE - YEAR END (Rs)



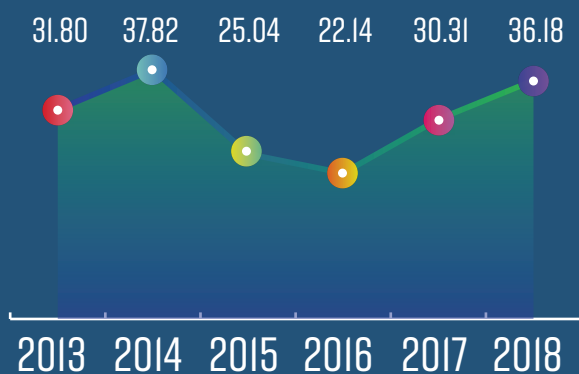
MARKET VALUE PER SHARE (HIGH - LOW) (Rs)



PERFORMANCE INDICATORS

INFOGRAPHICS

RETURN ON CAPITAL EMPLOYED (%)



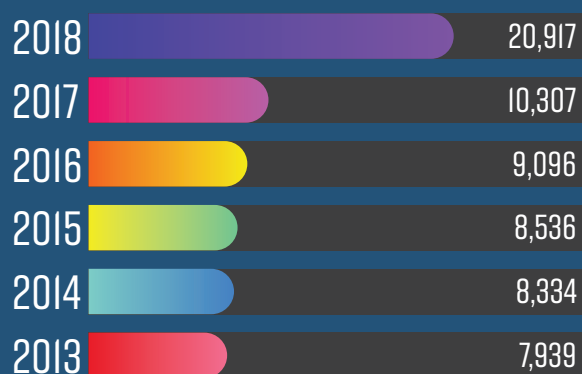
RESERVES (Rs in million)



LONG TERM LIABILITIES (Rs in million)



CURRENT LIABILITIES (Rs in million)



FIXED ASSETS LESS DEPRECIATION (Rs in million)



DEVELOPMENT & DECOMMISSIONING COSTS (Rs in million)



PERFORMANCE INDICATORS

INFOGRAPHICS

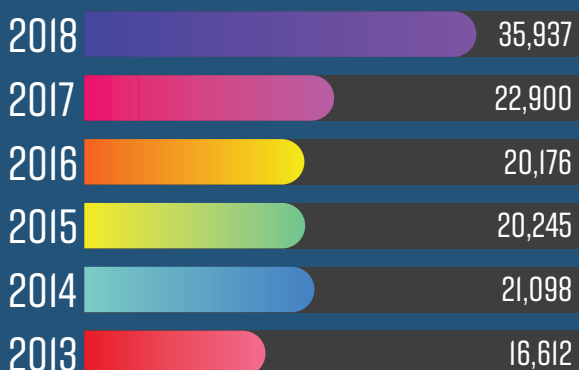
EXPLORATION & EVALUATION ASSETS (Rs in million)



LONG TERM INVESTMENTS (Rs in million)



CURRENT ASSETS (Rs in million)



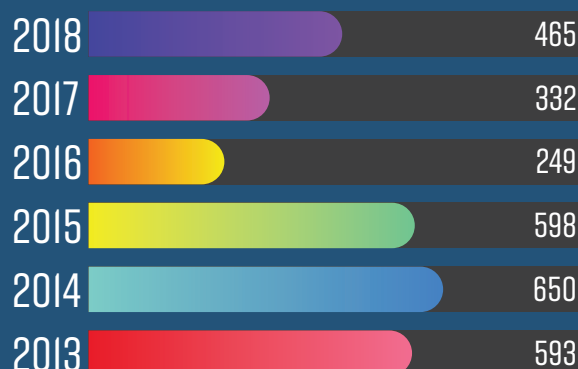
EBITDA MARGIN TO SALES (%)



CONTRIBUTION TO EXCHEQUER (Rs in million)



FOREIGN EXCHANGE SAVINGS (US\$ million)



QUARTER ANALYSIS

	Q1	Q2	Q3	Q4	ANNUAL
Net sales in Rs billions	7.24	6.00	8.75	10.67	32.66
Sales volumes					
 Crude in million barrels	0.64	0.67	0.70	0.67	2.68
 Gas in million mmbtu	7.82	8.75	8.89	8.67	34.13
 POLGAS in metric tons	21,780	22,280	23,082	21,871	89,013
Cost of sales in Rs billions	3.22	3.64	4.63	4.04	15.53
Gross profit in Rs billions	4.02	2.36	4.12	6.63	17.13
Exploration costs in Rs billions	0.27	0.47	0.28	1.97	2.99
Finance costs in Rs billions	0.19	0.49	0.54	0.70	1.92
Other income in Rs billions	0.25	1.31	0.75	0.95	3.26
Profit after tax in Rs billions	2.53	2.23	3.11	3.51	11.38
EPS in Rs	10.71	9.42	13.13	14.87	48.13

QUARTER REVIEW

1

Quarter

Net sales increased by 26.5 % to Rs 7,240.8 million as compared to corresponding period. Volumes variance is favorable by Rs 496.6 million and Price variance is also favorable by Rs 1,020 million.

Sales volumes of Crude Oil increased by 14.9%, Gas increased by 12.0% while POLGAS decreased by 9.7% as compared to corresponding period.

Cost of sales increased by 2.3% to Rs 3,218.1 million as compared to corresponding period, mainly because of higher royalty paid on increased production of Crude Oil and Gas during the period.

Resultantly; the **Gross profit** increased by 56.0% to Rs 4,022.7 million.

Exploration costs increased by 322.4% to Rs 272.4 million mainly due to 3D seismic data acquisition cost at Balkassar

Finance costs decreased by 3.3% to Rs 188.4 million as while unwinding cost decreased by Rs 38.8 million as compared to the last period. Whereas exchange difference was higher by Rs 31.9 million due to higher appreciation of US dollar as compared to last period.

Other income decreased by 65.3% to Rs 248.8 million (Sep 30, 2016: Rs 729.6 million), mainly because of nil dividend received from associated and subsidiary.

Overall the **Profit after tax** increased by 9.3% to Rs 2,534.2 million (Sep 30, 2016: Rs 2,317.5 million).

— 92 | 93 —

2

Quarter

Net sales decreased by 17.1 % to Rs 6,000 million as compared to first quarter mainly due to reversal of Gas price incentive from July 01, 2015 to December 31, 2017 relating to Tal block booked in this quarter. This negated the impact of increase in **Sales volumes** of Crude Oil by 4.0%, Gas by 11.9% and POLGAS by 2.3% as compared to first quarter.

Cost of sales increased by 13.0% to Rs 3,638.4 million as compared to first quarter mainly because of higher operating costs and amortization of development and decommissioning costs during the period.

Gross profit decreased by 41.3% to Rs 2,361.1 million as compared to first quarter due to lower sales and higher cost of sales during the period.

Exploration costs increased by 72.1% to Rs 468.0 million as compared to first quarter as major cost of 3D data acquisition of Balkassar was incurred during the quarter.

Finance costs increased by 157.9% to Rs 487.0 million as compared to first quarter as unwinding cost decreased by Rs 54.1 million as compared to the last period, mainly due to reversal of Bela decommissioning liability. Whereas exchange difference is higher by Rs 352.9 million due to higher appreciation of US dollar as compared to last quarter.

Other income increased by 424.0% to Rs 1,316.2 million as compared to first quarter mainly because of higher dividend received from associated and subsidiary and higher exchange gain on financial assets due to higher devaluation of rupees against US \$ during the period.

This resulted in Overall decreased of **Profit after tax** by 11.9% to Rs 2,227.2 million as compared to first quarter due to decrease in sales value of Gas and higher exploration and finance costs as compared to last quarter.

Quarter

3

Net sales increased by 45.8 % to Rs 8,746.5 million as compared to second quarter was based on increase in production and prices during the period but mainly due to the effect that reversal of gas price incentive relating to TAL Block was booked in second quarter.

Sales volumes of Crude Oil increased by 5.7%, Gas increased by 1.7% and POLGAS increased by 3.6% as compared to second quarter.

Cost of sales increased by 27.2% to Rs 4,634.4 million as compared to second quarter mainly because of higher operating costs, royalty payment and amortization of development cost and decommissioning costs due to increased in production.

The above resulted in **increased of Gross profit** by 74.6% to Rs 4,112.1 million.

Exploration costs decreased by 40.2% to Rs 275.0 million as major cost of 3D data acquisition of Balkassar was charged in second quarter.

Finance costs increased by 10.2% to Rs 543.5 million as compared to second quarter.

Other income decreased by 42.8% to Rs 740.9 million as compared to second quarter mainly because of lower dividend received during third quarter as compared to second quarter.

Overall the **Profit after tax** increased by 39.5% to Rs 3,106.5 million as compared to second quarter.

Quarter

4

Net sales increased by 21.9 % to Rs 1,067.0 million as compared to third quarter due increase in product prices during the period.

Sales volumes of Crude Oil decreased by 5.9%, Gas decreased by 2.6% and POLGAS decreased by 5.3% as compared to third quarter.

Cost of sales decreased by 12.7% to Rs 4,038.4 million as compared to third quarter mainly because of lower operating costs and due to lower production.

Resultantly the **Gross profit** increased by 60.9% to Rs 6,639.8 million.

Exploration costs increased by 603.6% to Rs 1,974.8 million as compared to quarter third as dry & abandoned and irrecoverable well costs amounting to Rs 1,585.6 million was charged during the quarter.

Finance costs increased by 29.6% to Rs 700.1 million as compared to third quarter due to higher depreciation of rupees against US \$ during the quarter.

Other income increased by 26.7% to Rs 956.6 million as compared to third quarter mainly because of higher dividend received and exchange gain.

Overall the **Profit after tax** increased by 12.8% to Rs 3,516.0 million.

Analysis of variation in Interim results as compared to full year results

Production volumes were higher in Q-1, Q-2 and Q-3 as Makori Deep - 01, Jhandial - 01 and Tolanj west were connected to production respectively. Production volumes were lower in Q-4 due to schedule annual turn around.

Price showed an increasing trend in each Quarter as Crude price increased during the year along with appreciation of US \$. However, in Q-2 overall sales decreased as reversal of Gas price incentive from July 01, 2015 to December 31, 2017 relating to Tal Block was booked.

Thus posting higher profit after tax of Rs. 11,384 million (2017: 9,679 million).

VERTICAL ANALYSIS

	2013	2014	2015	2016	2017	2018
	(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	2,365	2,365	2,365	2,365	2,365
Revenue reserves						
Insurance reserve	200	200	200	200	200	200
Investment reserve	1,558	1,558	1,558	1,558	1,558	1,558
Unappropriated profit	28,824	31,071	28,239	26,028	27,373	28,643
	30,582	32,829	29,997	27,786	29,131	30,401
Fair value gain on available-for-sale investments	1	2	2	2	2	2
	32,948	35,196	32,364	30,153	31,498	32,769
NON CURRENT LIABILITIES						
Long term deposits	518	638	725	831	847	837
Deferred liabilities	12,234	13,701	13,819	15,637	14,999	15,643
	12,752	14,339	14,544	16,468	15,846	16,481
CURRENT LIABILITIES AND PROVISIONS						
Trade and other payables	6,293	5,782	4,876	5,551	5,903	15,967
Unclaimed dividend	1,646	2,552	3,660	3,545	4,404	171
Provision for income tax	7,939	8,334	8,536	9,096	10,307	4,779
	53,639	57,869	55,444	55,717	57,651	20,917
TOTAL EQUITY AND LIABILITIES						
	78,011	83,065	84,840	85,870	89,149	70,167
FIXED ASSETS						
Property, plant and equipment	7,801	9,306	10,489	10,421	9,855	9,405
Development & decommissioning costs	16,610	13,161	12,412	14,585	13,373	12,597
Exploration & evaluation assets	2,979	4,667	2,661	901	1,884	2,591
	27,390	27,134	25,562	25,907	25,112	24,593
LONG TERM INVESTMENT IN SUBSIDIARY & ASSOCIATED COMPANIES						
	9,616	9,616	9,616	9,616	9,616	9,616
OTHER LONG TERM INVESTMENTS						
	5	5	6	6	6	6
LONG TERM LOANS AND ADVANCES						
	16	16	15	12	17	15
CURRENT ASSETS						
Stores and spares	3,525	3,663	4,276	4,236	3,897	3,572
Stock in trade	151	264	148	376	222	293
Trade debts	4,871	5,094	3,477	3,336	3,293	8,242
Advances, deposits, prepayments and other receivables	816	1,251	1,730	1,464	1,306	2,296
Cash and bank balances	7,249	10,826	10,614	10,764	14,182	21,533
	16,612	21,098	20,245	20,176	22,900	35,937
TOTAL ASSETS						
	53,639	57,869	55,444	55,717	57,651	70,167

HORIZONTAL ANALYSIS

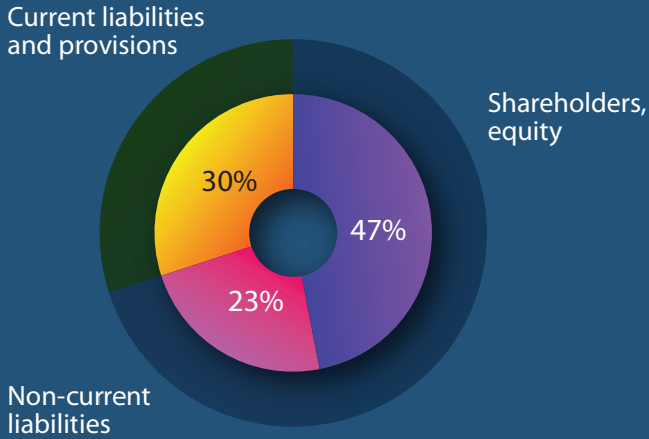
	2013	2014	2015	2016	2017	2018
	(Rs.in million)	(Rs.in million)	(Rs.in million)	(Rs.in million)	(Rs.in million)	(Rs.in million)
	%	%	%	%	%	%
BALANCE SHEET						
SHARE CAPITAL AND RESERVES						
Authorised capital	5,000	5,000	5,000	5,000	5,000	5,000
Issued, subscribed and paid-up capital	2,365	2,365	2,365	2,365	2,365	2,365
Revenue reserves	200	200	200	200	200	200
Insurance reserve	1,558	1,558	1,558	1,558	1,558	1,558
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Fair value gain on available-for-sale investments	1	2	2	2	2	2
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	53,639	57,869	55,444	55,717	57,651	20,917
CONTINGENCIES AND COMMITMENTS						
TOTAL EQUITY AND LIABILITIES						
	27,390	27,134	25,562	25,907	25,112	70,167
FIXED ASSETS						
Property, plant and equipment	7,801	9,306	10,489	10,421	9,855	9,405
Development & decommissioning costs	16,610	13,161	12,412	14,585	13,373	12,597
Exploration & evaluation assets	2,979	4,667	2,661	901	1,884	2,591
	27,390	27,134	25,562	25,907	25,112	24,593
LONG TERM INVESTMENT IN SUBSIDIARY & ASSOCIATED COMPANIES						
	9,616	9,616	9,616	9,616	9,616	9,616
OTHER LONG TERM INVESTMENTS						
	5	5	6	6	6	6
LONG TERM LOANS AND ADVANCES						
	16	16	15	12	17	15
CURRENT ASSETS						
Stores and spares	3,525	3,663	4,276	4,236	3,897	3,572
Stock in trade	151	264	148	376	222	293
Trade debts	4,871	5,094	3,477	3,336	3,293	8,242
Advances, deposits, prepayments and other receivables	816	1,251	1,730	1,464	1,306	2,296
Cash and bank balances	7,249	10,826	10,614	10,764	14,182	21,533
	16,612	21,098	20,245	20,176	22,900	35,937
TOTAL ASSETS						
	53,639	57,869	55,444	55,717	57,651	70,167

HORIZONTAL ANALYSIS

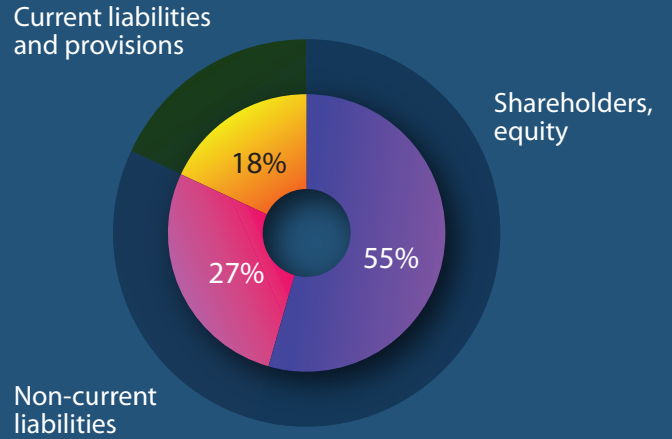
	2013	2014	2015	2016	2017	2018
	(Rs.in million)	(Rs.in million)	(Rs.in million)	(Rs.in million)	(Rs.in million)	(Rs.in million)
	%	%	%	%	%	%
PROFIT & LOSS ACCOUNT						
Net Sales	28,878	35,540	30,881	24,848	27,281	32,665
	115.74%	142.44%	123.77%	99.59%	95.31%	113.11%
Cost of Sales	12,616	16,531	14,614	13,605	13,209	15,529
	135.31%	177.30%	156.74%	145.91%	118.81%	123.09%
Gross profit	16,262	19,009	16,267	11,243	14,072	17,136
	104.06%	121.64%	104.10%	71.95%	80.38%	105.37%
Exploration costs	1,793	1,710	4,729	2,052	1,468	2,990
	166.79%	159.07%	439.91%	190.88%	247.55%	166.76%
	14,469	17,299	11,538	9,191	12,604	14,146
	99.43%	118.88%	79.29%	63.16%	74.52%	97.77%
Administration expenses	93	122	140	140	109	170
	112.05%	146.99%	168.67%	168.67%	110.10%	182.80%
Finance costs	830	654	987	1,022	746	1,919
	370.54%	291.96%	440.63%	456.25%	108.91%	231.20%
Other charges	949	1,140	485	560	809	967
	85.96%	103.26%	43.93%	50.72%	62.81%	101.90%
	1,872	1,916	1,612	1,722	1,664	3,056
	132.67%	135.79%	114.25%	122.04%	80.31%	163.25%
Other income	12,597	15,383	9,926	7,469	10,940	11,090
	95.86%	117.06%	75.53%	56.84%	73.71%	88.04%
PROFIT BEFORE TAXATION	1,954	1,823	1,563	1,411	1,473	3,262
	108.02%	100.77%	86.40%	78.00%	57.83%	166.94%
Provision for taxation	14,551	17,206	11,489	8,880	12,413	14,353
	97.33%	115.09%	76.85%	59.40%	71.39%	98.64%
PROFIT FOR THE YEAR	3,723	4,319	3,030	1,646	2,734	2,969
	90.04%	104.45%	73.28%	39.81%	49.45%	79.75%
	10,828	12,887	8,459	7,234	9,679	11,384
	100.12%	119.16%	78.22%	66.89%	81.62%	105.13%
CASH FLOWS						
Operating activities	12,559	18,248	13,035	12,467	15,674	19,327
	101.06%	196.28%	104.89%	100.32%	102.66%	153.89%
Investing activities	(5,202)	(4,276)	(2,172)	(3,071)	(3,916)	(3,361)
	224.42%	154.37%	93.70%	132.48%	130.36%	64.61%
Financing activities	(12,995)	(10,624)	(11,240)	(9,444)	(8,275)	(10,022)
	200.05%	250.09%	173.03%	145.38%	82.57%	77.12%
Effect of Exchange rate changes	306	229	165	197	(65)	1,407
	15300.00%	248.91%	8250.00%	9850.00%	(15.97)%	459.80%
Cash and cash equivalents at year end	7,249	10,826	10,614	10,764	14,182	21,533
	72.99%	171.38%	106.87%	108.38%	112.73%	297.05%

BALANCE SHEET COMPOSITION

SHAREHOLDERS EQUITY AND LIABILITIES 2018

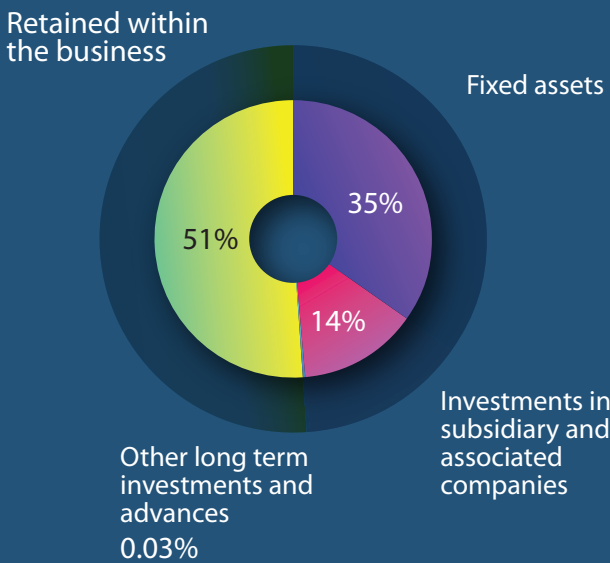


SHAREHOLDERS EQUITY AND LIABILITIES 2017

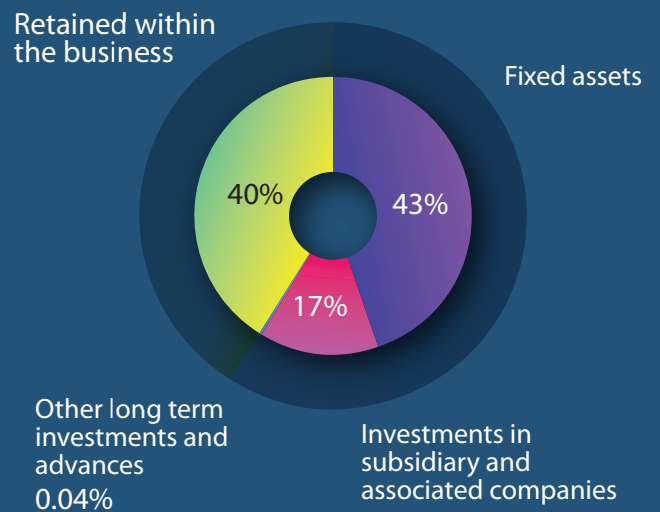


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ASSETS 2018

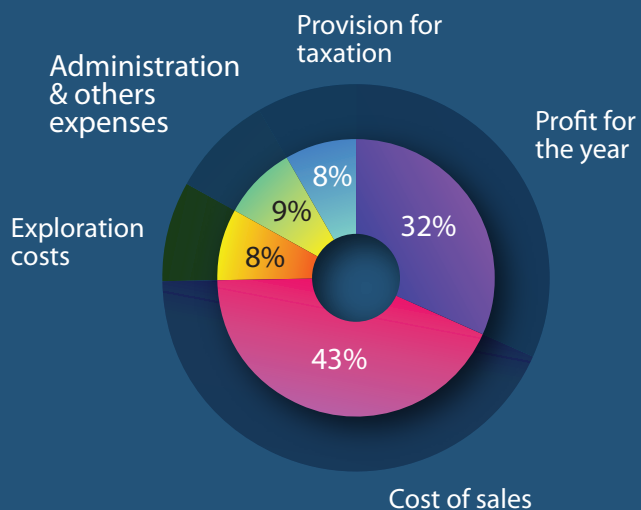


ASSETS 2017

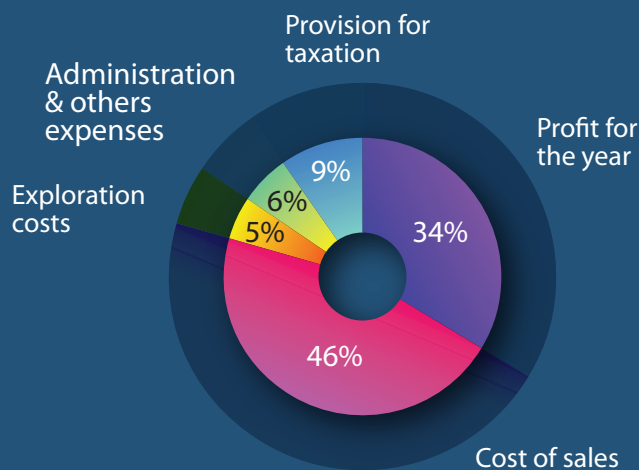


PROFIT & LOSS AND CASH FLOW ANALYSIS

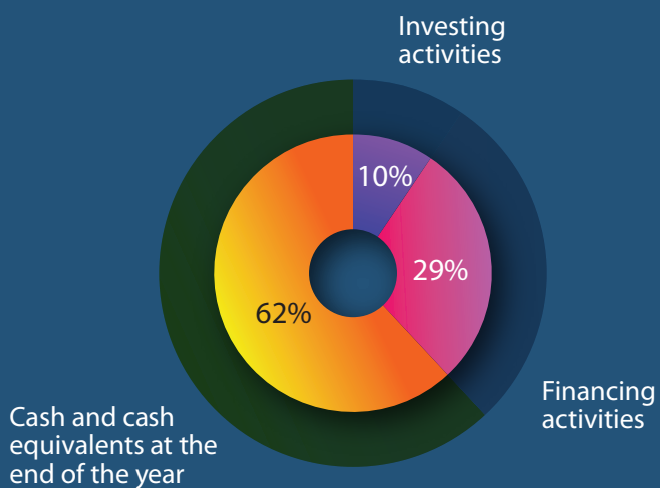
ANALYSIS OF REVENUES 2018



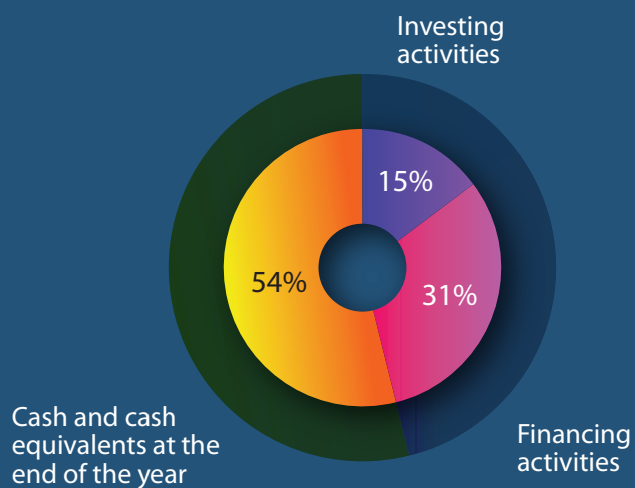
ANALYSIS OF REVENUES 2017



ANALYSIS OF CASH FLOW 2018



ANALYSIS OF CASH FLOW 2017



ANNUAL FINANCIAL REVIEW

ANALYSIS OF PROFIT AND LOSS

SALES

Net sales decreased by 19.7%. Analyzing the net sales increased of Rs 4,734.9 million from a product perspective, crude contribute for Rs 5,561.7 million, POLGAS by Rs 698.2 million and Gas sales decreased by Rs 926.8 million due to reversal of Gas price incentive relating to Tal block during the period. Sales volume of Crude Oil increased by 7.6%, Gas increased by 12.5% while POLGAS decreased by 6.7% as compared to corresponding period. Crude Oil price increased by 27.7%, POLGAS price increased by 20.5%, while Gas price decreased by 19.8% due to reversal of Gas price incentive relating to Tal block during the period. Volume variance is positive by Rs 1,758.8 million and price variance is positive by Rs 3,625.7 million. Price variance has two components, one is exchange rate which is positive by Rs 1,749.6 million (decline in Rupee against US \$ from Rs 104.79 to Rs 111.48 per US \$) and the other is price variance which is positive by Rs 1,876.2 million.

COST OF SALES

Cost of sales increased by 17.6% to Rs 15,529.3 million (June 30, 2017: Rs 13,208.8 million), mainly because of higher royalty paid and higher amortization charged during the year.

EXPLORATION COSTS

Exploration costs increased by 103.6% to Rs 2,990.2 million (June 30, 2017: Rs 1,468.3 million) due to dry & abandon well cost of Rs 954.8 million of Tolanj East and irrecoverable cost portion of Rs 630.8 million relating to Joyamair Deep 1.

OTHER INCOME

Other operating income increased by Rs 1,870.2 million. Exchange gain increased by Rs 1,472.5 million due to higher devaluation of rupee against US \$ as compared to last year. Dividend from associated companies is higher by Rs 55.6 million. Current period includes dividend of Rs 449.8 million (225%) from NRL as against Rs 399.8 million (200%) last year and dividend from APL is also higher by Rs 14.6 million i.e. 250% last period to 275 % this year. These increases

were offset by decrease in dividend from CAPGAS by Rs 8.9 million i.e. 510 % last year to 250% this year.

PROFIT FOR THE YEAR

Profit after tax increased by 17.6% to Rs 11,383.9 million (June 30, 2017: Rs 9,678.5 million).

ANALYSIS OF BALANCE SHEET

ASSETS

Development cost increased by 2,959.8 Million during the period, mainly due to transfer of Rs 2,070.5 million of Jhandial and Rs 232.3 million of Adhi South X-1 wells from exploration and evaluation assets. Decommissioning cost also increased by Rs 239.8 million due to additional decommissioning liability of new wells. This increase was offset by increased amortization of Rs 2,986.8 million resulting in a net increase of Rs 212.8 million.

Exploration and Evaluation costs of Rs 4,844.8 million were incurred during the period. It consists of Rs 1,563.4 million at Khaur North-1, Rs 880.8 million at Joyamair Deep-1, Rs 429.7 million at Jhandial, Rs 209.6 million at Adhi South X-1, Rs 409.2 million at Misrial well at Hisal Block, Rs 770.5 million at Tolanj East and Rs 577.2 million at Mamikhel Deep. On achieving successful results of Jhandial and Adhi South X-1 wells amount of Rs 2,070.5 million and Rs 232.3 million were transferred to development cost respectively. Whereas Rs 1,585.6 million was transferred to exploration cost due to unsuccessful results.

Trade debts increased due to increase in crude sales and prices during the year and due to non-finalization of price notification of Jhandial.

LIABILITIES

Provision for decommissioning cost increased by Rs 969.8 million which is offset by decrease in deferred income tax Rs 324.3 million.

Trade and other payable increased by Rs 8,528.2 million as payment received from customer on account of additional revenue and related sales tax due to enhanced gas price incentive.

ANNUAL FINANCIAL REVIEW

ANALYSIS OF CASH FLOW STATEMENT

OPERATING ACTIVITIES

A total of Rs 14,182 million was available as cash and cash equivalents at the beginning of the year. Cash generated from operations in 2018 higher by 23% to Rs 19,327 million (2017: Rs 15,674 million) related to higher sales.

INVESTING ACTIVITIES

A total of Rs 3,361 million cash was expended on investing activities (2017: Rs 3,916 million)

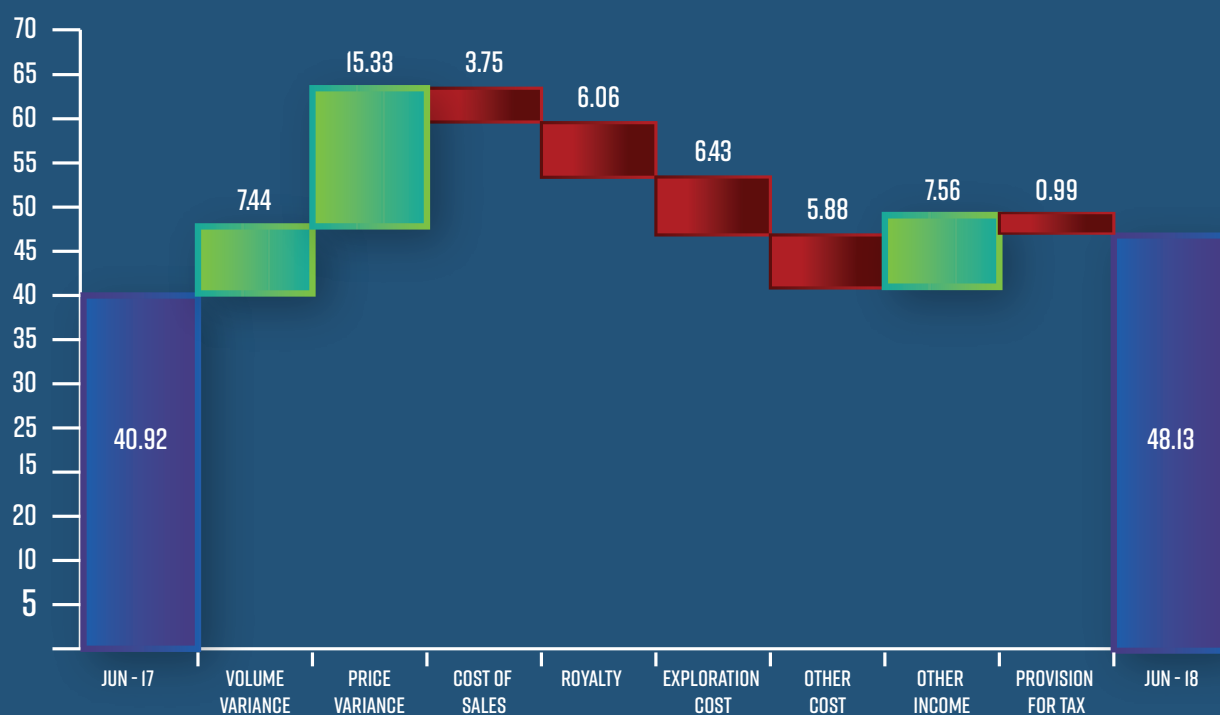
which consists outlay for addition in fixed assets of Rs 4,775 million. It was reduced by inflow from income on bank deposits by Rs 703 million and dividend income of Rs 706 million.

FINANCING ACTIVITIES

Rs 10,022 million of cash were used in financing activities related to payment of dividends. The cash balance includes effect of exchange rate changes of Rs 1,407 million during the year. Cash and cash equivalents at the end of year 2018 was Rs 21,533 million (2017: Rs 14,182 million).

EPS BRIDGE

Rs per Share

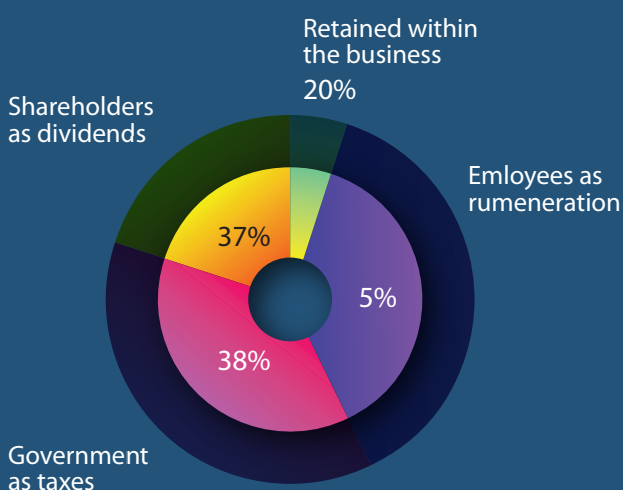


STATEMENT OF VALUE ADDED

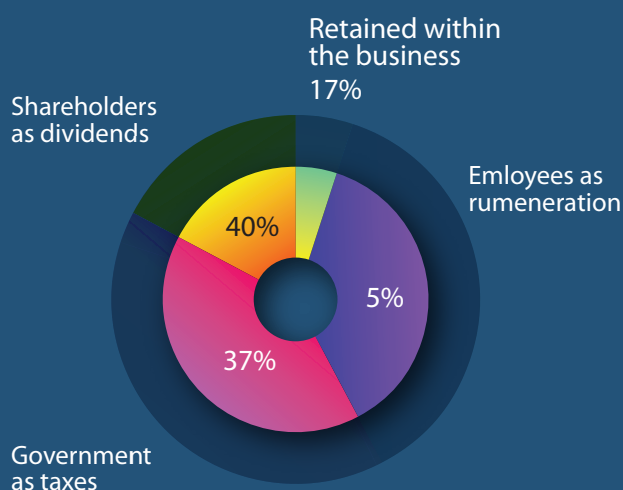
	2018	2017
	Rupees ('000)	
Gross revenue	34,988,129	29,871,439
Less: Operating and exploration expenses	10,650,036	8,013,174
	24,338,093	21,858,265
Add: Income from investments	1,465,350	1,094,655
Other income	1,873,231	459,502
Total value added	27,676,674	23,412,422
Distributed as follows:		
Employees remuneration	1,403,393	1,197,061
Government as:		
Company taxation	2,968,815	2,733,787
Sales tax	2,323,147	2,590,990
Excise duty & development surcharge	307,703	271,619
Royalty	3,778,297	2,344,306
Workers' funds	966,703	808,911
	10,344,665	8,749,613
Shareholders as:		
Dividend	10,526,293	9,461,837
Retained in business:		
Depreciation	1,557,858	1,577,936
Amortization	2,986,824	2,209,306
Net earnings	857,641	216,669
	5,402,323	4,003,911
	27,676,674	23,412,422

102
103

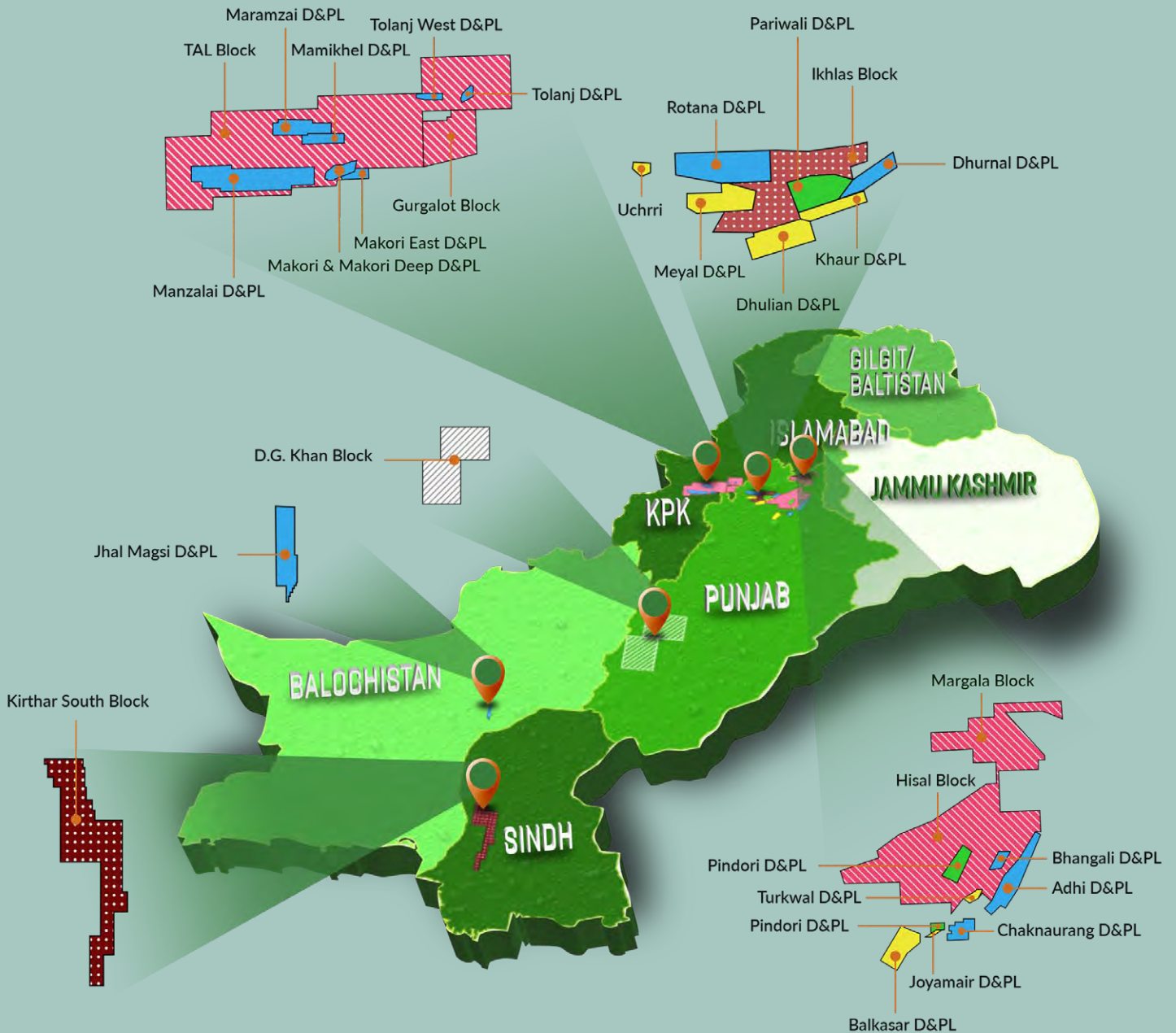
DISTRIBUTION OF VALUE ADDED
2018



DISTRIBUTION OF VALUE ADDED
2017



GEOGRAPHICAL PRESENCE



- POL Operated Own E.L's
- POL Operated JV E.L's
- POL Operated Own D&PL's
- POL Operated JV D&PL's
- JV Operated E.L's
- JV Operated D&PL's

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED JUNE 30, 2018

The Committee comprises of members possessing appropriate financial acumen and relevant Oil & Gas experience. The Audit Committee has concluded its annual review of the conduct and operations of the Company during 2017-18, and reports that:

- The Company has issued a “Statement of Compliance with the Code of Corporate Governance” which has also been reviewed and certified by the A. F. Ferguson & Co (external auditors) of the Company.
- Appropriate accounting policies have been consistently applied. All core & other applicable International financial reporting standards were followed in preparation of financial statements of the Company and consolidated financial statements on a going concern basis, for the financial year ended June 30, 2018, which present fairly the state of affairs, results of operations, profits, cash flows and changes in equities of the Company and its subsidiaries for the year under review.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The external reporting is consistent with management processes and adequate for shareholder needs.
- The Audit Committee has reviewed all related party transactions and has recommended to the board for approval.
- The Chief Executive and the Chief Financial Officer have endorsed the financial statements of the Company, Consolidated financial statements and related party transactions. They acknowledge their responsibility for true and fair presentation of the Company’s financial condition and results, compliance with regulations and applicable accounting standards and establishment and maintenance of internal controls and systems of the Company.
- All directors have access to the Company Secretary. All direct or indirect trading and holdings of Company’s shares by Directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholdings. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time.
- Closed periods were duly determined and announced by the Company, precluding Directors, Chief Executive and executives of the Company from dealing in Company’s shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.
- The internal control framework has been effectively complemented by an independent in-house Internal Audit function established by the Board which is independent of the External Audit function.
- The Company’s system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Internal Audit function has carried out its duties as defined by the Committee. The Committee has reviewed material Internal Audit findings, taking appropriate action or bringing the matters to the Board’s attention, where required.
- The Head of Internal Audit has direct access to the Chairman of the Audit Committee and the Committee has ensured staffing of personnel with sufficient internal audit acumen and that the function has all necessary access to management and the right to seek information and explanations.
- Coordination between the external and Internal Auditors was facilitated to ensure efficiency and contribution to the Company’s objectives, including a reliable financial reporting system and compliance with laws and regulations.

- The Chairman Audit Committee is a Fellow member of the Institute of Cost and Management Accountants of Pakistan.
- The external auditors of the Company have completed the audit of the Company's financial statements, the consolidated financial statements" and the statement of compliance with the Code of Corporate Governance for the financial year ended June 30, 2018 and shall retire on the conclusion of the 67th Annual General Meeting (AGM).
- The Audit Committee has reviewed and discussed Internal Control Memorandum (ICM) with external auditors.
- The external auditors have been allowed direct access to the Committee and the effectiveness, independence and objectivity of the auditors has thereby been ensured. The auditors attended the AGM of the Company during the year and have confirmed attendance for the 67th AGM scheduled for September 25, 2018.
- The external auditors have indicated their willingness to continue as external auditors of the Company and have confirmed their compliance with the code of ethics

issued by International Federation of Accountants and adopted by Institute of Chartered Accounts of Pakistan (ICAP). Further they have also confirmed that they have satisfactory rating under the Quality Control Program program of ICAP and are registered with Audit Oversight Board of Pakistan. The external auditors has no financial or other relationship of any kind with the Company except that of external auditors.

- Being eligible for reappointment as external auditors of the Company, the Audit Committee has recommended the appointment of A. F. Ferguson & Co., Chartered Accountants as external auditors of the Company for the year ending June 30, 2019.



Abdus Satter
Chairman Audit Committee

Rawalpindi
August 09, 2018

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FOR THE YEAR ENDED JUNE 30, 2018

The company has complied with the requirements of the regulations in the following manner:

1. The total number of directors are seven as per the following:
 - a. Male: 7
 - b. Female: Nil
2. The composition of board is as follows:

Category	Names
a) Independent Directors	Mr. Tariq Iqbal Khan Mr. Nihal Cassim
b) Other non-executive directors	Mr. Laith G. Pharaon * Mr. Wael G. Pharaon** Mr. Abdus Sattar
c) Executive Directors	Mr. Shuaib A Malik Mr. Sajid Nawaz

*Alternate Director Mr. Bilal A. Khan, G.M. Pakistan Oilfields Limited

** Alternate Director Mr. Babar Bashir Nawaz

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
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 relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these regulations.
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. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Most of the directors meet the exemption requirement of the directors' training program. The remaining director has obtained certification under directors' training program.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

a) Audit Committee

Name	Role
Mr. Abdus Sattar	Chairman
Mr. Babar Bashir Nawaz	Member
Mr. Tariq Iqbal Khan	Member
Mr. Nihal Casim	Member
Mr. Bilal Ahmed Khan	Member

b) HR and Remuneration Committee

Name	Role
Mr. Babar Bashir Nawaz	Chairman
Mr. Shuaib A. Malik	Member
Mr. Abdus Sattar	Member
Mr. Bilal Ahmad Khan	Member

A constitutional petition filed by the Company is currently pending in the Sindh High Court challenging compliance with below mentioned requirements and to declare that the impugned provisions, namely Section 166, proviso to Section 154 of the Companies Act 2017; Regulations 6,7,9,16,28 and 29 of the Listed Companies Code of Corporate Governance Regulations, 2017; S.R.O 556(i)/2018; and S.R.O 73(i)/2018 relating to appointment of independent directors on the Board of Directors, appointment of independent director as Chairman of the Audit Committee and Human Resource & Remuneration Committee, appointment of female director on the Board and appointment of separate persons as Chairman of the Board and Chief Executive of the Company are illegal and unconstitutional and to strike them down; and to further declare that shareholders are lawfully entitled to elect Directors and to elect a Chairman of the Board of Directors without reference to the impugned provisions. The law officer of Securities and Exchange Commission of Pakistan has undertaken that no action contrary to the law would be taken against the Company. The Court has ordered next date of hearing to be held on September 10, 2018.

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

Committee	Frequency
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly

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

16. 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 and registered with Audit Oversight Board of Pakistan, 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 ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied.



SHUAIB A. MALIK
Chairman & Chief Executive

Dubai, UAE
August 15, 2018

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018



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 listed companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Pakistan Oilfields Limited (the Company), for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulation is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulation and report if it does not and to highlight any noncompliance with the requirements of the Regulations. 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 Regulations.

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 Regulations require 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Further, we highlight contents of the paragraph 12 of the statement where the matter of company's constitutional petition pending in the Sindh High Court relating to compliance with certain provisions of the Companies Act, 2017 and the Regulations has been explained

Chartered Accountants
Islamabad
Date: August 17, 2018

Engagement Partner: M. Imtiaz Aslam

INDEPENDENT AUDITOR'S REPORT

To the Members of Pakistan Oilfields Limited Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Pakistan Oilfields Limited (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
(i)	New requirements under the Companies Act, 2017 The fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these annexed financial statements. As part of this transition to the requirements, the management performed a gap analysis to identify differences between the previous financial reporting framework and the current financial reporting framework and as a result certain changes were made in the Company's annexed financial statements which are included in notes 6, 9, 11, 12, 13, 21, 22, 32, 35, 39 and 42 to the annexed financial statements. In view of the extensive impacts in the annexed financial statements due to first time application of the fourth schedule to the Companies Act, 2017, we considered it as a key audit matter.	We reviewed and understood the requirements of the fourth schedule to the Companies Act, 2017. Our audit procedures included the following: <ul style="list-style-type: none">· Considered the management's process to identify the additional disclosures required in the Company's annexed financial statements.· Obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence.· Verified on test basis the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made.
(ii)	Litigation with respect to conversion of TAL Block petroleum concession to Petroleum Policy 2012 <i>(Refer note 24 to the financial statements)</i> The Ministry of Energy (Petroleum Division) issued a notification dated December 27, 2017 (SRO) which requires that the Supplemental Agreement already executed in respect of TAL block for conversion of petroleum concession from Petroleum Exploration and Production Policy 1997 to Petroleum Exploration and Production Policy 2012 shall be amended (within 90 days) to include Windfall Levy on Oil and Condensate (WLO), failing which the working interest owners will not remain eligible for gas price incentive as per Petroleum Policy 2012. The impugned notification has been issued after the approval of Council of Common Interest (CCI) dated 24 November 2017.	Our audit procedures in relation to the matter included: <ul style="list-style-type: none">· Reviewed Petroleum Concession Agreement (PCA) and Supplemental Agreements signed with the Government of Pakistan.· Reviewed SRO issued by the Ministry of Energy.· Reviewed relevant clauses of Petroleum Exploration & Production Policy 2012 for applicability of WLO.· Discussed the matter with directors, management and internal legal department of the Company.

S.No. Key Audit Matters

The company has challenged the said notification in the Islamabad High Court and the matter is pending before the court in principle on the ground that an already executed arrangement cannot be retrospectively altered unilaterally. The Honourable Court has restrained the Government for any action under the impugned notification and to maintain status quo till the next date of hearing. Company's contention is duly supported by the legal advice on the matter.

The supplemental agreement was signed under the conversion package where gas price was enhanced and WLO was not applicable. The impugned SRO, by giving retrospective effect, amounts to taking away the vested rights already accrued in favour of the Company. As per the legal opinion Government has no authority to give any law or policy a retrospective effect.

On grounds of prudence, the Company has not recognised the revenue to the extent of Rs 7,289,169 thousand since inception to June 30, 2018 on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 and will be accounted for upon resolution of this matter.

We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.

(iii) Analysis of impairment of development and decommissioning costs

(Refer note 14 to the financial statements)

As at June 30, 2018, the development and decommissioning costs amounted to Rs 12,597 million.

The Company assesses at the end of each reporting period whether there is any indication that a Cash Generating Unit (CGU) may be impaired.

Where impairment indicator is triggered for any CGU, an impairment test is performed by the Company based on estimates of the value in use of that CGU.

How the matter was addressed in our audit

- Obtained confirmation from the Company's external legal advisor and reviewed legal opinion obtained by the Company and the order issued by the Islamabad High Court.
- Evaluated technical ability of the internal and external legal advisors used by the Company.
- Assessed the matter under applicable accounting frame work.
- Ensured the appropriateness of the disclosures made regarding the matter.

Our audit procedures in relation to management's impairment test included:

- Assessed the methodology used by management to estimate value in use of each CGU.
- Assessed the assumptions of cash flow projections in calculation of the value in use of CGUs, challenging the reasonableness of key assumptions i.e. oil and gas reserves, oil and gas prices, production costs, foreign exchange rates

S.No.	Key Audit Matters	How the matter was addressed in our audit
	<p>The calculation of value in use of development and decommissioning costs requires the exercise of significant management's estimates and judgements on certain assumptions such as (i) estimation of the volume of oil and gas recoverable reserves; (ii) estimation of future oil and gas prices; (iii) cost profiles and inflation applied; (iv) foreign exchange rates and (v) discount rates.</p> <p>We considered this matter as key audit matter due to the significant value of development and decommissioning costs at reporting date and due to significance of judgements used by management.</p>	<ul style="list-style-type: none"> · and discount rates based on our knowledge of the business and industry by comparing the assumptions to historical results, and published market and industry data. · Performed sensitivity analysis in consideration of the potential impact of reasonably possible downside changes in assumptions relating to oil and gas prices and discount rate.

Information Other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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.

The engagement partner on the audit resulting in this independent auditor's report is M. Imtiaz Aslam.

Attergama & Co.

Chartered Accountants
Islamabad
Date: August 17, 2018

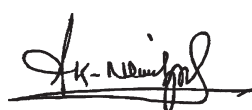
STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

		2018	2017
	Note	Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorized capital	7	5,000,000	5,000,000
Issued, subscribed and paid up capital	7	2,365,459	2,365,459
Revenue reserves	8	30,401,053	29,130,466
Fair value gain on available-for-sale investments		2,227	2,003
		32,768,739	31,497,928
NON CURRENT LIABILITIES			
Long term deposits	9	837,325	846,958
Deferred liabilities	10	15,643,277	14,999,402
		16,480,602	15,846,360
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	11	15,967,452	5,763,626
Unclaimed dividend		170,717	139,722
Provision for income tax		4,779,273	4,403,945
		20,917,442	10,307,293
CONTINGENCIES AND COMMITMENTS			
	12		
		70,166,783	57,651,581

		2018	2017
	Note	Rupees ('000)	
NON CURRENT ASSETS			
Property, plant and equipment	13	9,405,451	9,854,534
Development and decommissioning costs	14	12,596,720	13,372,854
Exploration and evaluation assets	15	2,590,790	1,884,356
		24,592,961	25,111,744
LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES			
	16	9,615,603	9,615,603
OTHER LONG TERM INVESTMENTS			
	17	6,479	6,255
LONG TERM LOANS AND ADVANCES			
	18	15,072	17,639
CURRENT ASSETS			
Stores and spares	19	3,571,970	3,897,472
Stock in trade	20	292,981	221,893
Trade debts	21	8,242,487	3,292,966
Advances, deposits, prepayments and other receivables	22	2,296,389	1,306,481
Cash and bank balances	23	21,532,841	14,181,528
		35,936,668	22,900,340
		70,166,783	57,651,581

The annexed notes 1 to 45 form an integral part of these financial statements.



Khalid Nafees
Chief Financial Officer



Shuaib A. Malik
Chief Executive



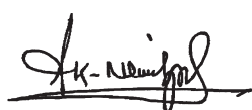
Abdus Sattar
Director

STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees ('000)	
SALES		34,988,129	29,871,439
Sales tax		(2,323,147)	(2,590,990)
NET SALES	24	32,664,982	27,280,449
Operating costs	25	(8,456,447)	(8,383,542)
Excise duty		(307,703)	(271,619)
Royalty		(3,778,297)	(2,344,306)
Amortization of development and decommissioning costs	26	(2,986,824)	(2,209,306)
		(15,529,271)	(13,208,773)
GROSS PROFIT		17,135,711	14,071,676
Exploration costs	27	(2,990,153)	(1,468,325)
		14,145,558	12,603,351
Administration expenses	28	(169,569)	(109,012)
Finance costs	29	(1,919,008)	(746,365)
Other charges	30	(966,703)	(808,911)
		(3,055,280)	(1,664,288)
		11,090,278	10,939,063
Other income	31	3,262,471	1,473,230
PROFIT BEFORE TAXATION		14,352,749	12,412,293
Provision for taxation	32	(2,968,815)	(2,733,787)
PROFIT FOR THE YEAR		11,383,934	9,678,506
Earnings per share - Basic and diluted (Rupees)	38	48.13	40.92

The annexed notes 1 to 45 form an integral part of these financial statements.



Khalid Nafees
Chief Financial Officer



Shuaib A. Malik
Chief Executive



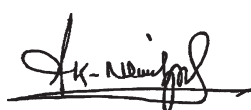
Abdus Sattar
Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
Profit for the year	11,383,934	9,678,506
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss		
Measurement loss on staff retirement benefit plans	(85,922)	(78,872)
Tax charge relating to remeasurement loss on staff retirement benefit plans	25,777	23,662
	(60,145)	(55,210)
Items that may be subsequently reclassified to profit or loss		
Fair value adjustments on available for sale investments	224	8
Other comprehensive loss for the year, net of tax	(59,921)	(55,202)
Total comprehensive income for the year	11,324,013	9,623,304

The annexed notes 1 to 45 form an integral part of these financial statements.



Khalid Nafees
Chief Financial Officer



Shuaib A. Malik
Chief Executive



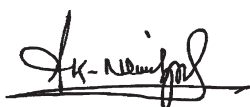
Abdus Sattar
Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

	Share capital	Revenue reserves			Fair value gain/ (loss) on available-for-sale investments	Total
		Insurance reserve	Investment reserve	Unappropriated profit		
Rupees ('000)						
Balance at June 30, 2016	2,365,459	200,000	1,557,794	26,028,483	1,995	30,153,731
Total comprehensive income for the year:						
Profit for the year	-	-	-	9,678,506	-	9,678,506
Other comprehensive income / (loss)	-	-	-	(55,210)	8	(55,202)
	-	-	-	9,623,296	8	9,623,304
Transactions with owners:						
Final dividend @ Rs 20 per share - Year ended June 30, 2016	-	-	-	(4,730,918)	-	(4,730,918)
Interim dividend @ Rs 15 per share - Year ended June 30, 2017	-	-	-	(3,548,189)	-	(3,548,189)
Total transactions with owners	-	-	-	(8,279,107)	-	(8,279,107)
Balance at June 30, 2017	2,365,459	200,000	1,557,794	27,372,672	2,003	31,497,928
Total comprehensive income for the year:						
Profit for the year	-	-	-	11,383,934	-	11,383,934
Other comprehensive income / (loss)	-	-	-	(60,145)	224	(59,921)
	-	-	-	11,323,789	224	11,324,013
Transactions with owners:						
Final dividend @ Rs 25 per share - Year ended June 30, 2017	-	-	-	(5,913,648)	-	(5,913,648)
Interim dividend @ Rs 17.5 per share - Year ended June 30, 2018	-	-	-	(4,139,554)	-	(4,139,554)
Total transactions with owners	-	-	-	(10,053,202)	-	(10,053,202)
Balance at June 30, 2018	2,365,459	200,000	1,557,794	28,643,259	2,227	32,768,739

The annexed notes 1 to 45 form an integral part of these financial statements.



Khalid Nafees
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

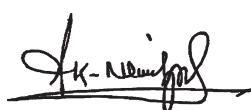
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		36,704,740	27,862,857
Operating and exploration costs paid		(10,935,401)	(8,662,285)
Royalty paid		(3,550,234)	(2,281,238)
Taxes paid		(2,892,028)	(1,245,150)
Cash provided by operating activities	34	19,327,077	15,674,184
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets additions		(4,775,526)	(5,013,390)
Proceeds from disposal of property, plant and equipment		5,476	14,634
Income on bank deposits and held-to-maturity investments		703,486	432,168
Investment in mutual funds		-	(272)
Dividend income received		705,793	650,576
Cash used in investing activities		(3,360,771)	(3,916,284)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(10,022,207)	(8,274,820)
EFFECT OF EXCHANGE RATE CHANGES			
		1,407,214	(65,353)
INCREASE IN CASH AND CASH EQUIVALENTS			
		7,351,313	3,417,727
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR			
		14,181,528	10,763,801
CASH AND CASH EQUIVALENTS AT END OF THE YEAR			
		21,532,841	14,181,528

Cash and cash equivalents comprise cash and bank balances.

The annexed notes 1 to 45 form an integral part of these financial statements.



Khalid Nafees
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND OPERATIONS

Pakistan Oilfields Limited (the Company) is incorporated in Pakistan as a public limited Company and its shares are quoted on Pakistan Stock Exchange Limited. 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 in Pakistan. 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.

Geographical location and addresses of all other business units of the Company have been disclosed in note 42.

2. STATEMENT OF COMPLIANCE

These are separate financial statements of the Company. These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

- 3.1 The Companies Act, 2017 (the Act) became applicable to the Company for the first time for the preparation of these financial statements. The Act forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. The Act also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes include change in nomenclature of the primary financial statements, elimination of duplicative disclosures with the International Financial Reporting Standards (IFRSs) disclosure requirements and incorporation of significant additional disclosures.

Additional disclosures required by the Act have been disclosed in note 6, 9, 11, 12, 13, 21, 22, 32, 35, 39 and 42 to these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

- 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)
IAS 19	Employee benefits (Amendments)	January 1, 2019
IAS 28	Investment in Associates and Joint Ventures (Amendments)	January 1, 2019
IAS 40	Investment property (Amendments)	January 1, 2018
IFRS 2	Share-based Payment (Amendments)	January 1, 2018
IFRS 4	Insurance contracts (Amendments)	January 1, 2018
IFRS 9	Financial Instruments	July 1, 2018
IFRS 15	Revenue from Contracts with Customers	July 1, 2018
IFRS 16	Leases	January 1, 2019
IFRIC 22	Foreign Currency Transactions and Advance Consideration	January 1, 2018
IFRIC 23	Uncertainty Over Income Tax	January 1, 2019

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:

	First-time Adoption of International Financial Reporting Standards
IFRS 1	Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance contracts

- 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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 statement of financial position. Exchange differences are dealt with through the statement of profit or loss.

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 and 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 costs

Provision for decommissioning costs 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. Any difference between the liability recognized and actual costs incurred are charged/credited to statement of profit or loss in the year of decommissioning.

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 ranging from 2.43% p.a. to 3.66% p.a. (2017: 1.14% p.a. to 2.67% p.a.). The increase in provision due to unwinding of discount is recorded as finance cost.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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, 2018.

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 statement of profit or loss.

Since both are complementary plans, combined details and valuation for pension plan and gratuity plan are given in note 37.

- (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 13.1 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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 after impairment loss, 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 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

4.17 Trade debts and other receivables

These are recognized and carried at their amortized cost less an allowance for any uncollectible amounts. Carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the realizability of these receivables, appropriate amount of provision is made.

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 statement of financial position 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 statement of financial position 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.

4.19 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 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.

4.20 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

(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 statement of financial position 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 statement of financial position. 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 statement of financial position 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 statement of financial position 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

4.22 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position 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.

4.23 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.

4.24 Joint arrangements

Investments in joint arrangements 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 up to the statement of financial position 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) Estimated crude oil/gas reserves used for amortization of development and decommissioning costs - note 14
- ii) Estimated useful life of property, plant and equipment - note 13.1

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

- iii) Estimated costs and discount rate used for provision for decommissioning costs - note 4.7
- iv) Estimated value of staff retirement benefits obligations - note 37
- v) Provision for taxation - note 4.5
- vi) Price adjustment related to crude oil sales - note 4.23

6. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

- i) During the year sales has increased due to commencement of production from following wells and increase in prices during the year:
 - Jhandial well 1 (Ikhlas Petroleum Concession)
 - Adhi - 29, Adhi - 30 and Adhi South X - 1 (Adhi Mining Lease)
 - Tolanj X - 1 and Tolanj West (TAL Petroleum Concession)
 - Makori Deep and Makori East 6 (Makori D&P lease)
- ii) As described in note 24.1, on prudent basis additional revenue on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to June 30, 2018 amounting to Rs 7,289,169 thousand will be accounted for upon resolution of the matter disclosed in note 24.1 (including Rs 2,225,158 thousand related to period July 1, 2015 to June 30, 2017 previously accounted for in the financial statements).
- iii) Other significant transactions and events have been adequately disclosed in the financial statements. For a detailed performance review, refer to the Directors' report.

	2018	2017
	Rupees ('000)	
7. SHARE CAPITAL		
Authorized capital		
500,000,000 (2017: 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 (2017: 20,200,000) ordinary shares	202,000	202,000
Shares issued as fully paid bonus shares		
216,345,920 (2017: 216,345,920) ordinary shares	2,163,459	2,163,459
236,545,920 (2017: 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 (2017: 124,776,965) ordinary shares at the year end.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
8. REVENUE RESERVES		
Insurance reserve - note 8.1	200,000	200,000
Investment reserve - note 8.2	1,557,794	1,557,794
Unappropriated profit	28,643,259	27,372,672
	30,401,053	29,130,466

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.

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

	2018	2017
	Rupees ('000)	
9. LONG TERM DEPOSITS		
Security deposits from distributors for cylinders/ equipment	787,334	795,922
Security deposits from distributors and others	49,991	51,036
	837,325	846,958

9.1 Amount received as security deposit is utilized/utilizable by the Company in accordance with the related agreements with customers.

	2018	2017
	Rupees ('000)	
10. DEFERRED LIABILITIES		
Provision for deferred income tax - note 10.1	6,086,784	6,411,100
Provision for decommissioning costs - note 10.2	9,548,018	8,578,227
Provision for staff compensated absences	8,475	10,075
	15,643,277	14,999,402

10.1 Provision for deferred income tax

The provision for deferred income tax represents:

Temporary differences between accounting and tax depreciation/ amortization	6,331,716	6,612,352
Provision for stores and spares	(139,544)	(121,639)
Provision for doubtful receivable	(93)	(93)
Deferred tax on remeasurement loss on staff retirement benefit plans	(105,295)	(79,520)
	6,086,784	6,411,100

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
10.2 Provision for decommissioning costs		
Balance brought forward	8,578,227	9,821,240
Revision due to change in estimates - note 10.2.1	(988,977)	(2,108,373)
Provision made during the year	239,847	121,754
Unwinding of discount	592,698	715,594
Exchange loss	1,322,218	28,012
Decommissioning cost incurred during the year	(195,995)	-
	9,548,018	8,578,227
10.2.1 Revision due to change in estimates		
Credited to related asset - note 14	(685,553)	(1,507,610)
Revision in excess of related asset credited to statement of profit or loss - note 26	(303,424)	(600,763)
	(988,977)	(2,108,373)
11. TRADE AND OTHER PAYABLES		
Creditors	638,924	495,084
Due to related parties		
Attock Hospital (Pvt) Limited	1,663	694
Attock Petroleum Limited	43,336	17,419
Management Staff Pension Fund - note 37	95,100	52,874
Staff Provident Fund	5,479	-
General Staff Provident Fund	1,010	-
Workers' Profit Participation Fund - note 11.1	214,259	-
Due to joint operating partners		
The Attock Oil Company Limited	17,219	59,482
Others	2,230,567	2,158,196
Accrued liabilities	2,967,654	2,087,034
Advances from customers	90,673	81,039
Royalty	524,240	296,177
Excise duty	4,499	2,439
Petroleum levy payable	23,988	-
Workers' Welfare Fund	574,158	508,124
Liability for staff compensated absences	6,443	5,064
Other liabilities - note 11.2	8,528,240	-
	15,967,452	5,763,626

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
11.1 Workers' Profit Participation Fund		
(Receivable) / payable at beginning of the year	(38,150)	20,398
Amount allocated during the year	765,724	(662,074)
Amount paid to the Fund's trustees	(513,315)	679,826
Payable / (receivable) at end of the year	214,259	(38,150)
11.2	This represents payment received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive as explained in 24.1.	
	2018	2017
	Rupees ('000)	
12. CONTINGENCIES AND COMMITMENTS		
12.1 Contingencies:		
a) Guarantees issued by banks on behalf of the Company	11,256	3,083
b) The Company is currently contesting applicability of super tax @ 3% of taxable profits from oil and gas operations under Petroleum Concession Agreements (PCAs) and has filed writ petitions in Islamabad High Court on December 29, 2015, December 28, 2016 and December 18, 2017 on the grounds that the Company being an exploration and production company falls under Special Tax Regime as granted under PCAs. Management based on legal advise is confident that the writ petitions will be decided in favour of the company, accordingly provision of Rs 779,910 thousand has not been made in these financial statements in respect of years ended June 30, 2015, 2016, 2017 and 2018.		
	2018	2017
	Rupees ('000)	
12.2 Commitments:		
Share in joint operations	4,993,526	7,622,953
Own fields	1,014,509	2,774,835
Letter of credit issued by banks on behalf of the Company	510,878	56,868
13. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 13.1	8,754,987	8,941,806
Capital work in progress - note 13.6	650,464	912,728
	9,405,451	9,854,534

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

13.1 Operating assets

	Freehold land	Buildings	Pipelines and pumps	Plant and machinery		Gas cylinders	Motor vehicles	Chattels	Computer and software development	Total
				Field plants	Rigs					
	Rupees ('000)									
As at July 1, 2016										
Cost	20,407	471,108	1,933,558	13,601,781	624,287	763,479	485,315	144,781	437,615	18,482,331
Accumulated depreciation	-	(186,314)	(896,252)	(6,086,858)	(417,784)	(470,520)	(377,692)	(93,692)	(324,191)	(8,853,303)
Net book value	20,407	284,794	1,037,306	7,514,923	206,503	292,959	107,623	51,089	113,424	9,629,028
Year ended June 30, 2017										
Opening net book value	20,407	284,794	1,037,306	7,514,923	206,503	292,959	107,623	51,089	113,424	9,629,028
Additions	-	32,439	265,081	491,309	64,788	16,160	26,061	7,158	22,629	925,625
Disposals										
Cost	-	(1,268)	(62,133)	(50,409)	(2,079)	(10,300)	(9,954)	(1,342)	(741)	(138,226)
Accumulated depreciation	-	706	35,277	43,097	2,075	10,300	9,954	1,165	741	103,315
	-	(562)	(26,856)	(7,312)	(4)	-	-	(177)	-	(34,911)
Depreciation charge	-	(21,805)	(170,138)	(1,173,825)	(43,377)	(46,264)	(52,517)	(12,705)	(57,305)	(1,577,936)
Closing net book value	20,407	294,866	1,105,393	6,825,095	227,910	262,855	81,167	45,365	78,748	8,941,806
As at June 30, 2017										
Cost	20,407	502,279	2,136,506	14,042,681	686,996	769,339	501,422	150,597	459,503	19,269,730
Accumulated depreciation	-	(207,413)	(1,031,113)	(7,217,586)	(459,086)	(506,484)	(420,255)	(105,232)	(380,755)	(10,327,924)
Net book value	20,407	294,866	1,105,393	6,825,095	227,910	262,855	81,167	45,365	78,748	8,941,806
Year ended June 30, 2018										
Opening net book value	20,407	294,866	1,105,393	6,825,095	227,910	262,855	81,167	45,365	78,748	8,941,806
Additions	-	19,343	270,967	980,120	41,811	9,498	24,323	14,267	11,207	1,371,536
Disposals										
Cost	-	-	(2,007)	(1,271)	(22)	(7,263)	(9,438)	(12)	(361)	(20,374)
Accumulated depreciation	-	-	1,510	1,271	22	7,263	9,438	12	361	19,877
	-	-	(497)	-	-	-	-	-	-	(497)
Depreciation charge	-	(22,205)	(186,582)	(1,159,305)	(45,764)	(50,903)	(41,448)	(12,027)	(39,624)	(1,557,858)
Closing net book value	20,407	292,004	1,189,281	6,645,910	223,957	221,450	64,042	47,605	50,331	8,754,987
As at June 30, 2018										
Cost	20,407	521,622	2,405,466	15,021,530	728,785	771,574	516,307	164,852	470,349	20,620,892
Accumulated depreciation	-	(229,618)	(1,216,185)	(8,375,620)	(504,828)	(550,124)	(452,265)	(117,247)	(420,018)	(11,865,905)
Net book value	20,407	292,004	1,189,281	6,645,910	223,957	221,450	64,042	47,605	50,331	8,754,987
Annual rate of Depreciation (%)	-	5	10	10	10	10	20	12.5	25	

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

13.2 Cost and accumulated depreciation include:

	Cost		Accumulated depreciation	
	2018	2017	2018	2017
	Rupees ('000)		Rupees ('000)	
Share in joint operations operated by the Company	1,438,457	1,333,515	1,246,781	1,211,438
Assets not in possession of the Company				
Share in joint operations operated by following				
MOL Pakistan Oil and Gas Company B.V.	10,554,563	9,633,287	5,515,599	4,555,569
Ocean Pakistan Limited	74,343	63,804	56,533	53,923
Oil and Gas Development Company Limited	67,647	67,467	35,952	30,510
Pakistan Petroleum Limited	1,890,699	1,722,623	690,686	539,157
	12,587,252	11,487,181	6,298,770	5,179,159
Gas cylinders - in possession of distributors*	726,718	715,140	499,128	458,972
	14,752,427	13,535,836	8,044,679	6,849,569

*Due to large number of distributors it is impracticable to disclose the name of each person having possession of these assets, as required by 4th Schedule to the Companies Act, 2017.

13.3 The depreciation charge has been allocated as follows:

	2018	2017
	Rupees ('000)	
Operating cost - Note 25	1,481,748	1,497,009
Other income - Crude transportation income	76,110	80,927
	1,557,858	1,577,936

13.4 Property, plant and equipment disposals:

There were no disposals of property, plant and equipment having net book value in excess of Rs 500,000 during the year.

13.5 Particulars of Company's immovable property including location and area of land are as follows:

District	Location	Total Area (In acres)
Attock	Khaur	297.59
Attock	Dhulian	746.17
Attock	Meyal	194.44
Chakwal	Balkassar	2.14
Rawalpindi	Rawalpindi	35.76

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

13.6 Capital work in progress

	Buildings	Plant and machinery / Pipelines and pumps	Computers and software development	Total
	Rupees ('000)			
Balance as at July 1, 2016	10,076	777,346	4,950	792,372
Additions/(adjustments) during the year	11,816	444,169	(3,551)	452,434
Transfers during the year	(21,892)	(308,787)	(1,399)	(332,078)
Balance as at June 30, 2017	-	912,728	-	912,728
Balance as at July 1, 2017	-	912,728	-	912,728
Additions during the year	11,610	263,215	-	274,825
Transfers during the year	(11,610)	(525,479)	-	(537,089)
Balance as at June 30, 2018	-	650,464	-	650,464

	2018	2017
	Rupees ('000)	
13.7 Break up of capital work in progress at June 30 is as follows:		
Own fields	23,161	4,016
POLGAS plant	3,880	-
Share in joint operations operated by the Company		
- Ikhlas	-	21,125
Share in joint operations operated by others		
MOL Pakistan Oil and Gas Company B.V.		
- TAL Block	43,918	427,584
- Margala Block 3372-20	269	269
Oil and Gas Development Company Limited		
- Jhal Magsi D&P Lease	448,719	454,530
Pakistan Petroleum Limited		
- Adhi Mining Lease	130,517	5,204
	650,464	912,728

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

14. DEVELOPMENT AND DECOMMISSIONING COSTS

	Development Cost	Decommissioning Cost	Total
	Rupees ('000)		
As at July 1, 2016			
Cost	34,249,232	4,059,830	38,309,062
Accumulated amortization	(21,600,212)	(2,123,937)	(23,724,149)
Net book value	12,649,020	1,935,893	14,584,913
Year ended June 30, 2017			
Opening net book value	12,649,020	1,935,893	14,584,913
Additions	2,039,456	121,754	2,161,210
Revision due to change in estimates - note 10.2.1	-	(1,507,610)	(1,507,610)
Well cost transferred from exploration and evaluation assets - note 15	944,410	-	944,410
Amortization for the year	(2,719,058)	(91,011)	(2,810,069)
Closing net book value	12,913,828	459,026	13,372,854
As at July 1, 2017			
Cost	37,233,098	2,673,974	39,907,072
Accumulated amortization	(24,319,270)	(2,214,948)	(26,534,218)
Net book value	12,913,828	459,026	13,372,854
Year ended June 30, 2018			
Opening net book value	12,913,828	459,026	13,372,854
Additions	407,011	239,847	646,858
Disposals			
Cost	-	(83,603)	(83,603)
Accumulated amortization	-	83,603	83,603
Revision due to change in estimates - note 10.2.1	(686,974)	1,421	(685,553)
Well cost transferred from exploration and evaluation assets - note 15	2,552,809	-	2,552,809
Amortization for the year - note 26	(3,011,013)	(279,235)	(3,290,248)
Closing net book value	12,175,661	421,059	12,596,720
As at June 30, 2018			
Cost	39,505,944	2,831,639	42,337,583
Accumulated amortization	(27,330,283)	(2,410,580)	(29,740,863)
Net book value	12,175,661	421,059	12,596,720

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
		Rupees ('000)	
15.	EXPLORATION AND EVALUATION ASSETS		
	Balance brought forward	1,884,356	900,813
	Additions during the year	4,844,825	2,899,238
		6,729,181	3,800,051
	Wells cost transferred to development cost - note 14	(2,552,809)	(944,410)
	Dry and abandoned wells and irrecoverable cost charged to the statement of profit or loss account - note 27	(1,585,582)	(971,285)
		2,590,790	1,884,356
15.1	Break up of exploration and evaluation assets at June 30 is as follows:		
	Own fields		
	- Khaur D&Production Lease (153/PAK/2002)	1,599,505	36,055
	Share in joint operations operated by the Company		
	- Ikhlas Petroleum Concession (3372-18)	-	1,640,789
	Share in joint operations operated by others		
	MOL Pakistan Oil and Gas Company B.V.	582,047	184,844
	- TAL Petroleum Concession (Block 3370-3)		
	Pakistan Petroleum Limited	-	22,668
	- Adhi Mining Lease (72/PAKISTAN)		
	- Hisal Petroleum Concession (3372-23)	409,238	-
		2,590,790	1,884,356

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018		2017	
	Percentage holding	Amount Rs ('000)	Percentage holding	Amount Rs ('000)
16. LONG TERM INVESTMENTS IN SUBSIDIARY AND ASSOCIATED COMPANIES - AT COST				
Subsidiary company				
Unquoted				
Capgas (Private) Limited 344,250 (2017: 344,250) fully paid ordinary shares including 191,250 (2017: 191,250) bonus shares of Rs 10 each	51	1,530	51	1,530
Associated companies				
Quoted				
National Refinery Limited 19,991,640 (2017: 19,991,640) fully paid ordinary shares including 3,331,940 (2017: 3,331,940) bonus shares of Rs 10 each Quoted market value as at June 30, 2018: Rs 8,856,496 thousand (2017: Rs 14,513,731 thousand)	25	8,046,635	25	8,046,635
Attock Petroleum Limited (APL) 5,820,595 (2017: 5,820,595) fully paid ordinary shares including 2,452,195 (2017: 2,452,195) bonus shares of Rs 10 each Quoted market value as at June 30, 2018: Rs 3,434,093 thousand; (2017: Rs 3,646,195 thousand)	7	1,562,938	7	1,562,938
Unquoted				
Attock Information Technology Services (Pvt) Limited (AITSL) 450,000 (2017: 450,000) fully paid ordinary shares of Rs 10 each	10	4,500	10	4,500
		9,615,603		9,615,603

16.1 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.

16.2 No investment was made in subsidiary and associated companies during the year.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
17. OTHER LONG TERM INVESTMENTS		
Available-for-sale investments - note 17.1	6,479	6,255
17.1 Available-for-sale investments		
Balance at the beginning of the year	6,255	5,975
Additions during the year	-	272
Fair value adjustment	224	8
Balance at the end of the year	6,479	6,255

	Number of shares/units	2018		Fair value	2017
		Cost less impairment loss	Adjustment arising from remeasurement to fair value		Fair value
Rupees ('000)					
17.1.1 Available-for-sale investments at June 30 include the following:					
<u>Listed securities:</u>					
Meezan Sovereign Fund	10,965	442	136	578	565
Pakistan Cash Management Fund	13,049	492	195	687	655
IGI Money Market Fund	13,208	993	355	1,348	1,287
Atlas Money Market Fund	1,143	455	150	605	573
UBL Liquidity Plus Fund	13,318	1,004	335	1,339	1,342
<u>Unlisted securities:</u>					
Atlas Asset Management Company	3,581	866	1,056	1,922	1,833
		4,252	2,227	6,479	6,255

17.1.2 The fair value of listed securities is based on quoted market prices at the statement of financial position 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, 2018 as quoted by the respective Asset Management Company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
18. LONG TERM LOANS AND ADVANCES CONSIDERED GOOD		
Long term loans and advances to employees	41,320	40,976
Less: Amount due within twelve months, shown under current loans and advances - note 22	26,248	23,337
	15,072	17,639

- 18.1** 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. These loans have not been discounted, as the impact is considered insignificant.

	2018	2017
	Rupees ('000)	
19. STORES AND SPARES		
Stores and spares - note 19.1	4,037,116	4,302,934
Less: Provision for slow moving items - note 19.2	465,146	405,462
	3,571,970	3,897,472
19.1 Stores and spares include:		
Share in joint operations operated by the Company	258,933	302,524
Share in joint operations operated by others (assets not in possession of the Company)	1,711,627	1,671,689
	1,970,560	1,974,213
19.2 Provision for slow moving items		
Balance brought forward	405,462	350,475
Provision for the year	59,684	54,987
	465,146	405,462
20. STOCK IN TRADE		
Crude oil and other products	292,981	221,893

These include Rs 145,157 thousand (2017: Rs 142,800 thousand) being the Company's share in joint operations.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
21. TRADE DEBTS - CONSIDERED GOOD		
Due from related parties - note 21.1	3,689,140	1,442,801
Others	4,553,347	1,850,165
	8,242,487	3,292,966
21.1 Due from related parties		
Associated companies		
Attock Refinery Limited	3,598,061	1,298,647
National Refinery Limited	91,079	144,154
	3,689,140	1,442,801

Ageing analysis of trade debts receivable from related parties is given in note 36.3 to the financial statements.

The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs 3,689,140 thousand (2017: Rs 2,656,646 thousand).

	2018	2017
	Rupees ('000)	
22. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances - considered good		
Employees - note 18	26,248	23,337
Suppliers	200,468	129,279
	226,716	152,616
Trade deposits and short term prepayments		
Deposits	114,295	114,395
Short-term prepayments	127,636	236,689
	241,931	351,084
Interest income accrued	95,452	39,381
Other receivables		
Joint operating partners	47,519	352,183
Due from related parties		
Parent company		
The Attock Oil Company Limited	40,528	33,201
Subsidiary company		
Capgas (Pvt) Limited	2,779	1,933
Staff Provident Fund	-	5,217
General Staff Provident Fund	-	345
Workers Profit Participation Fund	-	38,150
Gratuity Fund - note 37	66,068	58,487
Sales tax refundable	1,553,948	238,037
Other receivables (net of provision for doubtful receivable Rs 310 thousand (2017: Rs 310 thousand))	21,448	35,847
	1,732,290	763,400
	2,296,389	1,306,481

22.1 The aggregate maximum amount due from related parties at the end of any month during the year was Rs 109,375 thousand (2017: Rs 137,333 thousand) respectively.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
22.2 The aging analysis of receivable from related parties is as follows:		
Upto 3 month	91,943	115,199
3 to 6 month	8,719	11,067
More than 6 month	8,713	11,067
	109,375	137,333
23. CASH AND BANK BALANCES		
Bank balance on		
Short term deposits	19,994,118	12,615,073
Interest/mark-up bearing saving accounts	1,534,695	1,543,023
Current accounts	1,325	20,534
	21,530,138	14,178,630
Cash in hand	2,703	2,898
	21,532,841	14,181,528

Balance with banks include foreign currency balances of US \$ 94,990 thousand (2017: US \$ 73,533 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 0.10% to 7.40% (2017: 0.25% to 6.85%).

	2018	2017
	Rupees ('000)	
24. NET SALES		
Crude oil	17,597,511	12,035,771
Gas - note 24.1	8,572,856	9,499,633
POLGAS - Refill of cylinders	6,306,240	5,607,990
Solvent oil	180,425	131,255
Sulphur	7,950	5,800
	32,664,982	27,280,449

24.1 On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject areas.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of following explanation of conversion package:

“the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii)EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training”.

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) has required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The impact of WLO on conversion of TAL Block till June 30, 2018 is approximately Rs 11,576,757 thousand. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honorable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect and further directed the respondents to file their response & para wise comments before next date of hearing.

On prudent basis additional revenue on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to June 30, 2018 amounting to Rs 7,289,169 thousand will be accounted for upon resolution of this matter (including Rs 2,225,158 thousand related to period July 1, 2015 to June 30, 2017 previously accounted for in the financial statements). Additional revenue on account of enhanced gas price incentive of Rs 8,528,240 thousand including sales tax of Rs 1,239,071 thousand received from customer on the basis of notified prices has been shown as "Other liabilities" under "trade and other payables".

	2018	2017
	Rupees ('000)	
25. OPERATING COSTS		
Operating cost - Own fields	963,345	1,065,976
- Share in joint operations	2,511,524	2,315,194
Well workovers	55,790	197,939
POLGAS - Cost of gas/LPG, carriage etc.	3,288,354	3,059,653
Head office and insurance charges	172,718	61,079
Pumping and transportation cost	54,056	33,064
Depreciation	1,481,748	1,497,009
	8,527,535	8,229,914
Opening stock of crude oil and other products	221,893	375,521
Closing stock of crude oil and other products	(292,981)	(221,893)
	8,456,447	8,383,542

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
26. AMORTIZATION OF DEVELOPMENT AND DECOMMISSIONING COSTS		
Amortization charge for the year - note 14	3,290,248	2,810,069
Revision in estimates of provision for decommissioning costs in excess of related assets credited to statement of profit or loss - note 10.2.1	(303,424)	(600,763)
	2,986,824	2,209,306
27. EXPLORATION COSTS		
Geological and geophysical cost		
Own fields	530,122	2,649
Share in joint operations operated by the Company		
- DG Khan	485,568	22,816
- Ikhlas	60,409	112,871
- Kirthar South	35,874	34,194
- Turkwal	1,472	-
- Pindori	-	392
Share in joint operations operated by others		
MOL Pakistan Oil and Gas Company B.V.		
- TAL Block	(20,034)	4,860
- Margala Block	24,962	63,688
- Margala North Block	97	(13,179)
- Tolanj South	-	23,193
- KOT	-	207
- Malgin	-	246
Oil and Gas Development Company Limited		
- Kotra	2,053	822
- Gurgalot	230,741	39,310
- Chak Naurang	-	(1,776)
Pakistan Petroleum Limited		
- Hisal	35,539	185,576
Ocean Pakistan Limited		
- Ratana	18,026	21,171
- Dhurnal	(258)	-
	1,404,571	497,040
Dry and abandoned wells and irrecoverable cost charged to the statement of profit or loss account - note 15	1,585,582	971,285
	2,990,153	1,468,325

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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	2018	2017
	Rupees ('000)	
28. ADMINISTRATION EXPENSES		
Establishment charges	258,374	162,410
Telephone and telex	897	1,193
Medical expenses	9,182	6,472
Printing, stationery and publications	8,072	8,848
Insurance	3,662	3,192
Travelling expenses	2,304	2,089
Motor vehicle running expenses	9,860	9,112
Rent, repairs and maintenance	50,588	35,265
Auditor's remuneration - note 28.1	5,851	5,529
Legal and professional charges	23,204	4,887
Stock exchange and CDC fee	1,544	1,241
Computer support and maintenance charges	28,333	25,416
Donation*	-	90
Other expenses	4,791	4,745
	406,662	270,489
Less: Amount allocated to field expenses	237,093	161,477
	169,569	109,012
* No director or his spouse had any interest in the donee institutions.		
28.1 Auditor's remuneration:		
Statutory audit	1,695	1,614
Review of half yearly accounts, audit of consolidated accounts, staff funds, special certifications	1,304	927
Tax services	2,497	2,650
Out of pocket expenses	355	338
	5,851	5,529
29. FINANCE COSTS		
Provision for decommissioning costs - note 10.2		
- Unwinding of discount	592,698	715,594
- Exchange loss	1,322,218	28,012
Banks' commission and charges	4,092	2,759
	1,919,008	746,365
30. OTHER CHARGES		
Workers' Profit Participation Fund	765,724	662,074
Workers' Welfare Fund	200,979	146,837
	966,703	808,911

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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	2018	2017
	Rupees ('000)	
31. OTHER INCOME		
Income from financial assets		
Income on bank deposits	759,557	444,079
Exchange gain/(loss) on financial assets	1,407,214	(65,353)
Dividend on available-for-sale investments - note 31.1	-	362
Income from investments in subsidiary and associated companies		
Dividend from subsidiary and associated companies - note 31.2	705,793	650,214
Income from assets other than financial assets		
Rental income (net of related expenses Rs 54,441 thousand; 2017: Rs 61,031 thousand)	138,285	154,242
Crude oil/gas transportation income (net of related expenses Rs 242,194 thousand; 2017: Rs 221,666 thousand)	125,865	187,811
Gas processing fee	109,382	110,914
Profit/(loss) on sale of property, plant and equipment	4,979	(20,277)
Sale of stores and scrap	2,868	4,066
Others	8,528	7,172
	3,262,471	1,473,230
31.1 Dividend on available-for-sale investments		
Meezan Sovereign Fund	-	29
Pakistan Cash Management Fund	-	50
IGI Money Market Fund	-	80
Atlas Money Market Fund	-	33
UBL Liquidity Plus Fund	-	77
Atlas Asset Management Company	-	93
	-	362
31.2 Dividend from subsidiary and associated companies		
Subsidiary company		
Capgas (Pvt) Limited	8,606	17,557
Associated companies		
National Refinery Limited	449,812	399,833
Attock Petroleum Limited	247,375	232,824
	705,793	650,214

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
32. PROVISION FOR TAXATION		
Current		
- for the year	3,267,356	2,473,400
- for prior years	-	(369,526)
	3,267,356	2,103,874
Deferred		
- for the year	(298,541)	390,405
- for prior years	-	239,508
	(298,541)	629,913
	2,968,815	2,733,787
32.1 Reconciliation of tax charge for the year		
Accounting profit	14,352,749	12,412,293
* Tax at applicable tax rate of 47.82% (2017: 49.75%)	6,863,485	6,175,116
Tax effect of depletion allowance and royalty payments	(3,444,974)	(2,774,525)
Tax effect of income that is not taxable or taxable at reduced rates	(332,009)	(351,159)
Tax effect of prior years	-	(130,018)
Others	(117,686)	(185,627)
Tax charge for the year	2,968,815	2,733,787

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

32.2 Management assessment of sufficiency of current income tax provision

A comparison of provision on account of income taxes with most recent tax assessment for last three years is as follows:

	2017	2016	2015
	Rupees ('000)		
Tax assessed as per most recent tax assessment*	1,994,503	895,620	2,472,037
Provision in financial statements	2,473,400	1,212,269	3,568,568

Various appeals are pending at different appellate forums on the issues of depletion allowance, prospecting, exploration and development expenditure and tax rate. The Company computes tax based on the generally accepted interpretations of the tax laws and considering views followed by tax authorities to ensure that the sufficient provision for the purpose of taxation is available. According to management, the tax provision made in the financial statements is sufficient.

*This represents income tax payable per return of income filed by the Company. As per section 120 of the Income Tax Ordinance, 2001, the return is taken to be an assessment order issued to the tax payer by the Commissioner of the day return was filed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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33. 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 24.

Revenue from two major customers of the Company constitutes 68% of the total revenue during the year ended June 30, 2018 (June 30, 2017: 64%).

	2018	2017
	Rupees ('000)	
34. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,352,749	12,412,293
Adjustments for:		
Depreciation	1,557,858	1,577,936
Amortization of development and decommissioning costs	2,986,824	2,209,306
Finance costs	1,914,916	743,606
Exchange (gain) / loss on financial assets	(1,407,214)	65,353
(Gain) / loss on sale of property, plant and equipment	(4,979)	20,277
Dividend from subsidiary and associated companies	(705,793)	(650,214)
Income on bank deposits	(759,557)	(444,079)
Dividend on available-for-sale investments	-	(362)
Provision for staff compensated absences	(1,600)	(478)
Provision for slow moving stores and spares	59,684	54,987
Measurement loss on staff retirement benefit plans	(85,922)	(78,872)
Reversal of provision for decommissioning cost in excess of actual costs incurred	(76,008)	-
Cash flows before working capital changes	17,830,958	15,909,753
Effect on cash flows due to working capital changes:		
Decrease in stores and spares	265,818	284,026
(Increase) / decrease in stock in trade	(71,088)	153,628
(Increase) / decrease in trade debts	(4,949,521)	42,995
(Increase) / decrease in advances, deposits, prepayments and other receivables	(933,837)	169,362
Increase in trade and other payables	10,203,826	348,514
Cash flows generated from operations	4,515,198	998,525
Decrease / (increase) in long term loans and advances	2,567	(4,787)
(Decrease) / increase in long term deposits	(9,633)	15,843
Taxes paid	(2,892,028)	(1,245,150)
Actual decommissioning cost paid	(119,985)	-
Net cash generated from operating activities	19,327,077	15,674,184

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executives	
	2018	2017	2018	2017*
	Rupees ('000)		Rupees ('000)	
Managerial remuneration	7,612	6,920	91,425	69,745
Bonus	5,440	3,460	55,127	27,629
Housing, utility and conveyance	5,774	5,456	81,090	63,264
Company's contribution to pension, gratuity and provident funds	-	-	34,787	38,544
Leave passage	1,153	1,153	12,361	9,495
Other benefits	4,551	3,832	34,110	22,989
	24,530	20,821	308,900	231,666
No. of persons, including those who worked part of the year	1	1	42	34

*Comparative figures have been restated to reflect changes in the definition of executive as per the Companies Act, 2017.

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. Remuneration of executives are net of charge to subsidiary and associated companies amounting to Rs 18,073 thousand (2017: Rs 13,724 thousand).

Meeting fee of Rs 4,459 thousand (2017: Rs 4,734 thousand) was paid to Directors and Chief Executive of the Company based on actual attendance. This includes Rs 2,676 thousand (2017: Rs 2,767 thousand) paid to non-executive director of the Company.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

36. FINANCIAL INSTRUMENTS

36.1 Financial assets and liabilities

	Loans and receivables	Available-for-sale Investments	Total
	Rupees ('000)		
June 30, 2018			
Financial assets			
Maturity up to one year			
Trade debts	8,242,487	-	8,242,487
Advances, deposits and other receivables	414,337	-	414,337
Cash and bank balances	21,532,841	-	21,532,841
Maturity after one year			
Other long term investments	-	6,479	6,479
Long term loans and advances	15,072	-	15,072
	30,204,737	6,479	30,211,216
Financial liabilities		Other financial liabilities	Total
		Rupees ('000)	
Maturity up to one year			
Trade and other payables		14,535,635	14,535,635
Unclaimed dividend		170,717	170,717
Maturity after one year			
Long term deposits		837,325	837,325
Provision for decommissioning costs		9,548,018	9,548,018
Provision for staff compensated absences		8,475	8,475
		25,100,170	25,100,170

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FOR THE YEAR ENDED JUNE 30, 2018

	Loans and receivables	Available- for-sale Investments	Total
Rupees ('000)			
June 30, 2017			
Financial assets			
Maturity up to one year			
Trade debts	3,292,966	-	3,292,966
Advances, deposits and other receivables	664,326	-	664,326
Cash and bank balances	14,181,528	-	14,181,528
Maturity after one year			
Other long term investments	-	6,255	6,255
Long term loans and advances	17,639	-	17,639
	18,156,459	6,255	18,162,714
Financial liabilities			
		Other financial liabilities	Total
Rupees ('000)			
Maturity up to one year			
Trade and other payables		4,875,847	4,875,847
Unclaimed dividend		139,722	139,722
Maturity after one year			
Long term deposits		846,958	846,958
Provision for decommissioning costs		8,578,227	8,578,227
Provision for staff compensated absences		10,075	10,075
		14,450,829	14,450,829

36.2 Credit quality of financial assets

The credit quality of Company's financial assets have been assessed below by reference to external credit ratings of counter parties 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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	Rating	2018	2017
Rupees ('000)			
Trade debts			
Counterparties with external credit rating	A1+	4,071,482	1,666,094
	A1	3,585,716	1,186,945
	A2	212,130	52,260
Counterparties without external credit rating			
Existing customers/ joint operating partners with no default in the past		373,159	387,667
		8,242,487	3,292,966
Advances, deposits and other receivables			
Counterparties with external credit rating	A1+	125,375	69,304
Counterparties without external credit rating			
Existing customers/ joint operating partners with no default in the past		131,891	436,655
Receivable from employees/ employee benefit plans		92,316	87,386
Receivable from parent company		40,528	33,201
Others		24,227	37,780
		414,337	664,326
Bank balances			
Counterparties with external credit rating	A1+	21,529,905	14,178,384
	A1	233	219
	A2	-	27
		21,530,138	14,178,630
Long term loans and advances			
Counterparties without external credit rating			
Receivable from employees		15,072	17,639
Available for sale investments			
Counterparties with external credit rating	AAA	-	655
	AA	1,944	2,480
	AA-	578	-
	AA+	687	1,287
	AM2+	3,270	1,833
		6,479	6,255

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

36.3 FINANCIAL RISK MANAGEMENT

36.3.1 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, 2018, trade debts of Rs 2,012,420 thousand (2017: Rs 799,434 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2018	2017
	Rupees ('000)	
Due from related parties		
Up to 3 months	347,979	200,409
3 to 6 months	-	1,470
6 to 12 months	-	2,381
Above 12 months	43,058	74,498
	391,037	278,758
Due from others		
Up to 3 months	637,203	248,555
3 to 6 months	434,534	127,248
6 to 12 months	280,211	46,222
Above 12 months	269,435	98,651
	1,621,383	520,676
	2,012,420	799,434

(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, 2018, the Company had financial assets of Rs 30,211,216 thousand (2017: Rs 18,162,714 thousand).

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Less than 1 year	Between 1 to 5 years	Over 5 years
	Rupees ('000)		
At June 30, 2018			
Long term deposits	-	837,325	-
Provision for decommissioning costs	-	9,152,559	4,837,182
Provision for staff compensated absences	-	8,475	-
Trade and other payables	14,535,635	-	-
Unclaimed dividend	170,717	-	-
At June 30, 2017			
Long term deposits	-	846,958	-
Provision for decommissioning costs	-	6,322,376	7,580,770
Provision for staff compensated absences	-	10,075	-
Trade and other payables	4,875,847	-	-
Unclaimed dividend	139,722	-	-

(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 costs.

Financial assets include Rs 14,476,843 thousand (2017: Rs 9,432,398 thousand) and financial liabilities include Rs 11,626,803 thousand (2017: Rs 10,115,687 thousand) which are subject to currency risk.

If exchange rates had been 10% lower/higher with all other variables held constant, profit after tax for the year would have been Rs 199,503 thousand lower/higher (2017: Rs 47,147 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 21,528,813 thousand (2017: Rs 14,158,096 thousand) and financial liabilities include Rs 9,548,018 thousand (2017: Rs 8,578,227 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 83,866 thousand (2017: Rs 38,501 thousand) higher/ lower, mainly as a result of higher/ lower interest income from these financial assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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(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 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 statement of financial position 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 6,479 thousand (2017: Rs 6,255 thousand) which were subject to price risk.

36.3.2 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.

36.3.3 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, 2018				
Other long term investments				
Available-for-sale investment	6,479	-	-	6,479
June 30, 2017				
Other long term investments				
Available-for-sale investment	6,255	-	-	6,255

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37. STAFF RETIREMENT BENEFITS

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

37.1 The amounts recognized in the statement of financial position are as follows:

	2018	2017
	Rupees ('000)	
Present value of defined benefit obligations	1,500,895	1,437,088
Fair value of plan assets	(1,471,863)	(1,442,701)
	29,032	(5,613)
Amounts in the statement of financial position:		
Gratuity Fund-(Asset)	(66,068)	(58,487)
Management Staff Pension Fund-Liability	95,100	52,874
Net Assets	29,032	(5,613)

37.2 The amounts recognized in the statement of profit or loss are as follows:

Current service cost	31,562	31,975
Net interest cost	(3,704)	(5,371)
	27,858	26,604

37.3 The amounts recognized in statement of comprehensive income are as follows:

Remeasurement due to:		
Change in financial assumptions	(59,175)	(7,133)
Experience adjustments	111,314	77,278
Investment return	33,783	8,727
	85,922	78,872

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

Opening defined benefit obligation	1,437,088	1,381,416
Current service cost	31,562	31,975
Interest cost	112,416	98,183
Measurement	52,139	70,144
Benefits paid	(132,310)	(144,630)
Closing defined benefit obligation	1,500,895	1,437,088

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

Opening fair value of plan assets	1,442,701	1,413,566
Interest income	116,122	103,554
Measurement	(33,783)	(8,727)
Contribution by employer	79,134	78,938
Benefits paid	(132,311)	(144,630)
Closing fair value of plan assets	1,471,863	1,442,701

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

	2018		2017	
	Rupees ('000)	%	Rupees ('000)	%
Government bonds	343,756	23	1,399,777	97
National savings deposits	-	-	32,792	2
Mutual Funds	28,919	2	-	-
Cash and cash equivalents	1,099,188	75	10,132	1
	1,471,863	100	1,442,701	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.

37.7 Principal actuarial assumptions

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

	2018	2017
	%	
Discount rate	9.00	8.20
Expected rate of salary increase	7.40	6.10
Expected rate of pension increase	3.00	3.00

37.8 Mortality was assumed to be 70% of the EFU(61-66) Table at valuations on both dates, June 30, 2017 and 2018.

37.9 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

37.10 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	(120,156)	142,431
Salary increase	40,024	(35,969)
Pension increase	103,064	(90,166)

If life expectancy increases by 1 year, the obligation increases by Rs 44,995 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.

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

Plan Duration	Pension	Gratuity
Years		
June 30, 2018	11.2	5.3
June 30, 2017	11.5	4.7

37.12 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 2019	38,929	-
Benefit payments:		
FY 2019	83,182	75,142
FY 2020	86,377	51,120
FY 2021	95,283	94,254
FY 2022	97,489	26,373
FY 2023	101,165	31,930
FY 2024-28	531,593	145,567

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

38. EARNINGS PER SHARE - BASIC AND DILUTED

	2018	2017
	Rupees ('000)	
Profit for the year (in thousand rupees)	11,383,934	9,678,506
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)	48.13	40.92

39. TRANSACTIONS WITH RELATED PARTIES

39.1 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:

	Basis of Relationship	2018	2017
		Rupees ('000)	
Parent company - The Attock Oil Company Limited	Holding company		
Purchase of petroleum products		92,578	19,884
Purchase of services		35,980	32,766
Dividend paid		5,303,064	4,367,229
Subsidiary company - Capgas (Private) Limited	Subsidiary with 51% shareholding		
Sale of services		12,599	20,898
Purchase of services		8,049	6,679
Dividend received		8,606	17,557
Associated companies	Common directorship		
Attock Refinery Limited			
Sale of crude oil and gas		15,025,298	9,103,202
Crude oil and gas transmission charges		4,049	4,776
Sale of services		5,968	3,362
Purchase of LPG		133,000	102,558
Purchase of fuel		9,241	9,879
Purchase of services		24,406	21,838
National Refinery Limited	25% share holding & common directorship		
Sale of crude oil		376,589	493,502
Purchase of LPG		336,630	291,824
Purchase of services		3,998	903
Dividend received		449,812	399,833

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Basis of Relationship	2018	2017
Rupees ('000)			
Attock Petroleum Limited	7.0175% share holding & common directorship		
Purchase of fuel and lubricants		725,289	523,701
Sale of solvent oil		211,096	152,891
Sale of services		18,109	13,240
Purchase of services		943	940
Dividend received		247,375	232,824
Attock Information Technology (Private) Limited	Common directorship		
Purchase of services		52,426	45,660
Attock Cement Pakistan Limited	Common directorship		
Purchase of services		-	8
Attock Hospital (Private) Limited	Common directorship		
Purchase of medical services		11,882	9,612
Other associated entities			
Dividend paid		16,130	12,983
Other related parties			
Dividend paid to key management personnel		101,922	83,808
Contribution to staff retirement benefits plans			
Management Staff Pension Fund and Gratuity Fund		79,134	78,938
Approved Contributory Provident Funds		29,167	27,718
Contribution to Workers' Profit Participation Fund		765,724	662,074

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

39.2 Details of associated Company incorporated outside Pakistan with whom the Company had entered into transaction or had agreements are as follows:

i) Name of undertaking	The Attock Oil Company Limited
Registered Address	4, Swan Street Manchester England M4 5JN
Country of Incorporation	United Kingdom
ii) Basis of association	Parent Company
iii) Aggregate %age of Shareholding	52.75%
iv) Chief Executive Officer	Shuaib Anwer Malik
v) Operational status	Private Limited Company
vi) Auditor's opinion on latest available financial statements	Unqualified Opinion

40. CONTRIBUTORY PROVIDENT FUND

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

	2018	2017		
	Rupees ('000)			
Net assets	663,148	685,884		
Cost of investments made	593,939	606,679		
%age of investments made	90%	88%		
Fair value of investments made	609,652	636,661		
	2018		2017	
Breakup of investments - at cost	Rupees ('000)	%age	Rupees ('000)	%age
Term Finance Certificates	925	0.16	925	0.15
Mutual Funds	4,977	0.84	4,977	0.82
Government bonds	579,715	97.60	591,450	97.49
Cash and cash equivalents	8,322	1.40	9,327	1.54
	593,939	100.00	606,679	100.00

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

41. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Description	Explanation	2018	2017
		Rupees ('000)	
i) Loans and advances	Non-interest bearing		
ii) Deposits	Non-interest bearing		
iii) Segment revenue	Disclosed in note 33		
iv) Bank Balances			
Placed under interest arrangements		21,502,651	14,055,319
Placed under Shariah permissible arrangements		26,162	102,840
		21,528,813	14,158,159
v) Income on bank deposits			
Placed under interest arrangements		759,123	443,568
Placed under Shariah permissible arrangements		434	511
		759,557	444,079
vi) Gain/(loss) on available-for-sale investments	Disclosed in note 17.1.1		
vii) Dividend income	Disclosed in note 31.1 & 31.2		
viii) All sources of other income	Disclosed in note 31		
ix) Exchange gain	Earned from actual currency		
x) Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations: 1. Meezan Bank Limited 2. Bank Islami Pakistan Limited 3. Albaraka Islamic Investment bank		

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

42. GEOGRAPHICAL LOCATION AND ADDRESSES OF ALL OTHER BUSINESS UNITS

Geographical location and addresses of all other business units of the Company are as follows:

Exploration licenses/Leases	Location and address	
	District(s)	Province(s)
Operated by the Company		
Ikhlas Petroleum Concession (3372-18)	Attock	Punjab
Kirthar South Petroleum Concession (2567-7)	Dadu, Jamshoro, Lasbela, Thatta	Sindh and Balochistan
Khaur D & Production Lease (153/PAK/2002)	Attock	Punjab
Minwal D & Production Lease (123/PAK/98)	Chakwal	Punjab
Pariwali D & Production Lease (119/PAK/97)	Attock	Punjab
Pindori D & Production Lease (105/PAK/96)	Rawalpindi	Punjab
Turkwal D & Production Lease (133/PAK/99)	Chakwal and Rawalpindi	Punjab
D.G. Khan Petroleum Concession (2969-10)	BarKhan, DG Khan, Rajanpur	Punjab and Balochistan
Non-operated		
Operated by MOL Pakistan Oil and Gas		
Margala Petroleum Concession (Block 3372-20)	Rawalpindi, Islamabad, Haripur, Abbottabad	Punjab and Khyber Pakhtunkhwa (KPK)
Margala North Petroleum Concession (Block 3372-21)	Rawalpindi, Islamabad, Haripur, Abbottabad, Attock	Punjab and KPK
TAL Petroleum Concession (Block 3370-3)	Kohat, Karak, Bannu	KPK
Maramzai Development and Production lease	Kohat, Hangu	KPK
Manzalai D & Production lease (175/PAK/2007)	Karak	KPK
Makori D & Production lease (184/PAK/2012)	Karak	KPK
Makori East D & Production lease (205/PAK/2013)	Karak	KPK
Mamikhel Development and Production lease	Kohat	KPK
Operated by Oil and Gas Company Limited		
Chaknaurang Mining Lease (125/PAK/98)	Chakwal	Punjab
Gurgalot Petroleum Concession Block (3371-5)	Kohat, Attock	Punjab and KPK
Jhal Magsi Development and Production Lease (2867-4)	Jhal Magsi	Balochistan
Operated by Ocean Pakistan Limited		
Bhangali D&P Lease (65/PAK/90)	Rawalpindi	Punjab
Dhurnal Mining Lease (59/PAKISTAN)	Attock	Punjab
Ratana D&P Lease (94/PAK/94)	Attock	Punjab
Operated by Pakistan Petroleum Limited		
Adhi Mining Lease (72/PAKISTAN)	Rawalpindi, Chakwal	Punjab
Hisal Petroleum Concession (3372-23)	Rawalpindi, Chakwal, Attock	Punjab

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

43. CORRESPONDING FIGURES

The preparation and presentation of the financial statements is in accordance with the requirements of Companies Act, 2017. The fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary to comply with the requirements of Companies Act, 2017. "Unclaimed Dividend" amounting to Rupees 139,722 thousand have been reclassified from "Trade and other payables" and shown separately on the face of the statement of the financial position to conform the current year's presentation.

44. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in its meeting held on August 15, 2018 has proposed a final dividend for the year ended June 30, 2018 @ Rs 25 per share, amounting to Rs. 5,913,648 thousand and 20% bonus shares for approval of the members in the Annual General Meeting to be held on September 25, 2018.

45. GENERAL

45.1 Capacity and Production

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

Product	Unit	2018	2017
Crude Oil/Condensate	US Barrels	2,663,252	2,469,795
Gas	Million Cubic Feet	31,970	28,460
LPG	Metric Tonnes	62,065	58,352
Sulphur	Metric Tonnes	667	566
Solvent Oil	US Barrels	22,129	18,822

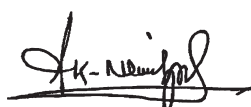
Considering the nature of the Company's business, information regarding installed capacity has no relevance.

45.2 Number of employees

	2018	2017
Total number of employees as at June 30	746	709
Total number of employees at fields as at June 30	569	538
Average number of employees during the year	732	730
Average number of employees at fields during the year	556	559

45.3 Date of authorization

These financial statements were authorized for issue by the Board of Directors of the Company on August 15, 2018.



Khalid Nafees
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018



INDEPENDENT AUDITOR'S REPORT

To the Members of Pakistan Oilfields Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Pakistan Oilfields Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S.No.	Key Audit Matters	How the matter was addressed in our audit
(i)	New requirements under the Companies Act, 2017 The fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these annexed consolidated financial statements. As part of this transition to the requirements, the management performed a gap analysis to identify differences between the previous financial reporting framework and the current financial reporting framework and as a result certain changes were made in the Company's annexed consolidated financial statements which are included in notes 6, 10, 12, 13, 14, 18, 23, 24, 35, 37, 42, 46, 47 and 49 to the annexed consolidated financial statements. In view of the extensive impacts in the annexed consolidated financial statements due to first time application of the fourth schedule to the Companies Act, 2017, we considered it as a key audit matter.	We reviewed and understood the requirements of the fourth schedule to the Companies Act, 2017. Our audit procedures included the following: <ul style="list-style-type: none">· Considered the management's process to identify the additional disclosures required in the Group's annexed consolidated financial statements.· Obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence.· Verified on test basis the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made.
(ii)	Litigation with respect to conversion of TAL Block petroleum concession to Petroleum Policy 2012 <i>(Refer note 26 to the consolidated financial statements)</i> The Ministry of Energy (Petroleum Division) issued a notification dated December 27, 2017 (SRO) which requires that the Supplemental Agreement already executed in respect of TAL block for conversion of petroleum concession from Petroleum Exploration and Production Policy 1997 to Petroleum Exploration and Production Policy 2012 shall be amended (within 90 days) to include Windfall Levy on Oil and Condensate (WLO), failing which the working interest owners will not remain eligible for gas price incentive as per Petroleum Policy 2012. The impugned notification has been issued after the approval of Council of Common Interest (CCI) dated 24 November 2017. The company has challenged the said notification in the Islamabad High Court and the matter is pending before the court in principle on the ground that an already executed arrangement cannot be retrospectively altered unilaterally. The Honourable Court has restrained the Government for any action under the	Our audit procedures in relation to the matter included: <ul style="list-style-type: none">· Reviewed Petroleum Concession Agreement (PCA) and Supplemental Agreements signed with the Government of Pakistan.· Reviewed SRO issued by the Ministry of Energy.· Reviewed relevant clauses of Petroleum Exploration & Production Policy 2012 for applicability of WLO.· Discussed the matter with directors, management and internal legal department of the Company.

(iii)

impugned notification and to maintain status quo till the next date of hearing. Company's contention is duly supported by the legal advice on the matter.

The supplemental agreement was signed under the conversion package where gas price was enhanced and WLO was not applicable. The impugned SRO, by giving retrospective effect, amounts to taking away the vested rights already accrued in favour of the Company. As per the legal opinion Government has no authority to give any law or policy a retrospective effect.

On grounds of prudence, the Company has not recognised the revenue to the extent of Rs 7,289,169 thousand since inception to June 30, 2018 on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 and will be accounted for upon resolution of this matter.

We considered this as key audit matter due to the significant amounts involved and significant judgments made by management regarding the matter.

Analysis of impairment of development and decommissioning costs

(Refer note 15 to the consolidated financial statements)

As at June 30, 2018, the development and decommissioning costs amounted to Rs 12,597 million.

The Company assesses at the end of each reporting period whether there is any indication that a Cash Generating Unit (CGU) may be impaired.

Where impairment indicator is triggered for any CGU, an impairment test is performed by the Company based on estimates of the value in use of that CGU.

The calculation of value in use of development and decommissioning costs requires the exercise of significant management's estimates and judgements on certain assumptions such as (i) estimation of the volume of oil and gas recoverable reserves; (ii) estimation of future oil and gas prices; (iii) cost profiles and inflation applied; (iv) foreign exchange rates and (v) discount rates.

We considered this matter as key audit matter due to the significant value of development and decommissioning costs at reporting date and due to significance of judgements used by management.

- Obtained confirmation from the Company's external legal advisor and reviewed legal opinion obtained by the Company and the order issued by the Islamabad High Court.
- Evaluated technical ability of the internal and external legal advisors used by the Company.
- Assessed the matter under applicable accounting frame work.
- Ensured the appropriateness of the disclosures made regarding the matter.

Our audit procedures in relation to management's impairment test included:

- Assessed the methodology used by management to estimate value in use of each CGU.
- Assessed the assumptions of cash flow projections in calculation of the value in use of CGUs, challenging the reasonableness of key assumptions i.e. oil and gas reserves, oil and gas prices, production costs, foreign exchange rates and discount rates based on our knowledge of the business and industry by comparing the assumptions to historical results, and published market and industry data.
- Performed sensitivity analysis in consideration of the potential impact of reasonably possible downside changes in assumptions relating to oil and gas prices and discount rate.

(iv) Investment in associated company

(Refer note 18 to the consolidated financial statements)

The company has investment in its associated company National Refinery Limited (NRL). As at June 30, 2018, the carrying amount of investment in above referred associated company amounted to Rs 14,794 million (net of recognized impairment loss of Rs 2,390 million) which carrying value is higher by Rs 5,938 million in relation to the quoted market value of such shares. The Company carries out impairment assessment of the value of investment where there are indicators of impairment.

The company has assessed the recoverable amount if the investment in associated companies based on the higher of the value-in-use ("VIU") and fair value. VIU is based on a valuation analysis carried out by an independent external investment advisor engaged by the Company using a discounted cash flow model which involves estimation of future cash flows. This estimation is inherently uncertain and requires significant judgement on both future cash flows and the discount rate applied to the future cash flows.

In view of significant management judgement involved in the estimation of VU we consider this as a key audit matter.

Our procedures in relation to assessment of carrying value of investment in associated company included:

- Assessed the appropriateness of management's accounting for investment in associated company.
- Considered management's process for identifying the existence of impairment indicators in respect of investment in associated company.
- Evaluated the external investment advisor's competence, capabilities and objectivity.
- Assessed the valuation methodology used by the independent external investment advisor.
- Checked, on sample basis, the reasonableness of the input data provided by the management to the independent external investment advisor, to supporting evidence.
- Assessed the reasonableness of cash flow projection, challenging and performing audit procedures on assumptions such as growth rate, future revenue and costs, terminal growth rate and discount rate by comparing the assumptions to historical results, budgets and comparing the current year's results with prior year forecast and other relevant information.
- Tested mathematical accuracy of cash flows projection.
- Performed independently a sensitivity analysis in consideration of the potential impact of reasonably possible upside or downside changes in key assumptions.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the directions supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is M. Imtiaz Aslam.



Chartered Accountants
Islamabad

Date: August 17, 2018

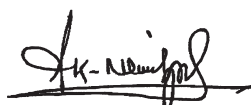
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

		2018	2017
	Note	Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Equity attributable to owners of POL			
Authorised capital	7	5,000,000	5,000,000
Issued, subscribed and paid up capital	7	2,365,459	2,365,459
Capital reserves	8	2,018,310	2,015,858
Revenue reserves	9	35,389,628	33,841,980
Fair value gain on available-for-sale investments		2,227	2,003
		39,775,624	38,225,300
Non-Controlling Interest		122,140	106,317
		39,897,764	38,331,617
NON CURRENT LIABILITIES			
Long term deposits	10	968,140	1,004,620
Deferred liabilities	11	16,510,944	15,823,456
		17,479,084	16,828,076
CURRENT LIABILITIES AND PROVISIONS			
Trade and other payables	12	15,987,140	5,898,491
Unclaimed dividend		170,717	139,722
Provision for income tax		4,790,372	4,406,640
		20,948,229	10,444,853
CONTINGENCIES AND COMMITMENTS	13		
		78,325,077	65,604,546

		2018	2017
	Note	Rupees ('000)	
NON-CURRENT ASSETS			
Property, plant and equipment	14	9,474,690	9,935,172
Development and decommissioning costs	15	12,596,720	13,372,854
Exploration and evaluation assets	16	2,590,790	1,884,356
Other intangible assets	17	217,543	283,363
		24,879,743	25,475,745
LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES			
	18	17,353,491	17,044,413
OTHER LONG TERM INVESTMENTS			
	19	6,479	6,255
LONG TERM LOANS AND ADVANCES			
	20	15,072	17,639
CURRENT ASSETS			
Stores and spares	21	3,572,543	3,898,248
Stock in trade	22	320,152	245,060
Trade debts	23	8,242,886	3,293,220
Advances, deposits, prepayments and other receivables	24	2,311,160	1,325,306
Cash and bank balances	25	21,623,551	14,298,660
		36,070,292	23,060,494
		78,325,077	65,604,546

The annexed notes 1 to 49 form an integral part of these financial statements.



Khalid Nafees
Chief Financial Officer



Shuaib A. Malik
Chief Executive



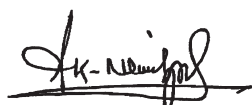
Abdus Sattar
Director

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees ('000)	
SALES		35,919,194	30,599,832
Sales tax		(2,462,244)	(2,700,009)
NET SALES	26	33,456,950	27,899,823
Operating costs	27	(9,189,425)	(8,910,759)
Excise duty		(307,703)	(271,619)
Royalty		(3,778,297)	(2,344,306)
Amortization of development and decommissioning costs	28	(2,986,824)	(2,209,306)
		(16,262,249)	(13,735,990)
GROSS PROFIT		17,194,701	14,163,833
Exploration costs	29	(2,990,153)	(1,468,325)
		14,204,548	12,695,508
Administration expenses	30	(191,279)	(137,968)
Finance costs	31	(1,919,041)	(747,079)
Other charges	32	(972,105)	(814,062)
		(3,082,425)	(1,699,109)
Other income	33	11,122,123	10,996,399
		2,595,957	833,571
		13,718,080	11,829,970
Share of profits of associated companies	18 & 34	843,354	2,387,070
Reversal of impairment on investment in associated company	18	178,421	1,254,835
PROFIT BEFORE TAXATION		14,739,855	15,471,875
Provision for taxation	35	(3,036,198)	(3,566,803)
PROFIT FOR THE YEAR		11,703,657	11,905,072
Attributable to:			
Owners of Pakistan Oilfields Limited (POL)		11,679,267	11,882,059
Non - Controlling Interest		24,390	23,013
		11,703,657	11,905,072
Earnings per share attributable to owners of POL - Basic and diluted (Rupees)	41	49.37	50.23

The annexed notes 1 to 49 form an integral part of these financial statements.



Khalid Nafees
Chief Financial Officer



Shuaib A. Malik
Chief Executive



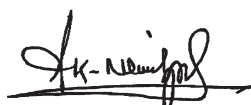
Abdus Sattar
Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
Profit for the year	11,703,657	11,905,072
Other comprehensive income for the year:		
Items that will not be reclassified to profit or loss		
Measurement loss on staff retirement benefit plans	(86,792)	(79,002)
Tax credit relating to remeasurement gain on staff retirement benefit plans	26,039	23,702
	(60,753)	(55,300)
Share of other comprehensive income/(loss) of associated companies - net of tax	(15,510)	17,460
	(76,263)	(37,840)
Items that may be subsequently reclassified to profit or loss		
Fair value adjustments on available-for-sale investments	224	8
Other comprehensive loss for the year, net of tax	(76,039)	(37,832)
Total comprehensive income	11,627,618	11,867,240
Attributable to:		
Owners of Pakistan Oilfields Limited (POL)	11,603,526	11,844,271
Non - Controlling Interest	24,092	22,969
	11,627,618	11,867,240

The annexed notes 1 to 49 form an integral part of these financial statements.



Khalid Nafees
Chief Financial Officer



Shuaib A. Malik
Chief Executive



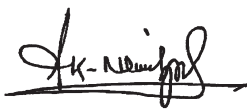
Abdus Sattar
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

	Attributable to owners of Pakistan Oilfields Limited								Total	Non-controlling interest	Total
	Share capital	Capital Reserves		Revenue reserves			Fair value gain/ (loss) on available-for-sale investments				
		Bonus shares issued by subsidiary / associated companies	Special reserve	Utilised Special reserve	Insurance reserve	General reserve		Unappropriated profit			
	Rupees ('000)										
Balance at June 30, 2016	2,365,459	59,754	962,745	-	200,000	5,102,325	25,967,858	1,995	34,660,136	100,216	34,760,352
Total comprehensive income for the year:											
Profit for the year	-	-	-	-	-	-	11,882,059	-	11,882,059	23,013	11,905,072
Other comprehensive income/(loss)	-	-	-	-	-	-	(37,796)	8	(37,788)	(44)	(37,832)
	-	-	-	-	-	-	11,844,263	8	11,844,271	22,969	11,867,240
Transferred to general reserve by an associated company	-	-	-	-	-	1,000,000	(1,000,000)	-	-	-	-
Transferred to special reserve by associated companies	-	-	993,359	-	-	-	(993,359)	-	-	-	-
Transferred to utilised special reserve by an associated company	-	-	(1,941,044)	1,941,044	-	-	-	-	-	-	-
POL dividends:											
Final dividend @ Rs 20 per share - Year ended June 30, 2016	-	-	-	-	-	-	(4,730,918)	-	(4,730,918)	-	(4,730,918)
Interim dividend @ Rs 15 per share - Year ended June 30, 2017	-	-	-	-	-	-	(3,548,189)	-	(3,548,189)	-	(3,548,189)
Dividend to CAPGAS non - controlling interest holders	-	-	-	-	-	-	-	-	-	(9,923)	(9,923)
Final dividend @ Rs 30 per share - Year ended June 30, 2016	-	-	-	-	-	-	-	-	-	(6,945)	(6,945)
Interim dividend @ Rs 21 per share - Year ended June 30, 2017	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	(8,279,107)	-	(8,279,107)	(16,868)	(8,295,975)
Balance at June 30, 2017	2,365,459	59,754	15,060	1,941,044	200,000	6,102,325	27,539,655	2,003	38,225,300	106,317	38,331,617
Total comprehensive income for the year:											
Profit for the year	-	-	-	-	-	-	11,679,267	-	11,679,267	24,390	11,703,657
Other comprehensive income/(loss)	-	-	-	-	-	-	(75,965)	224	(75,741)	(298)	(76,039)
	-	-	-	-	-	-	11,603,302	224	11,603,526	24,092	11,627,618
Transferred to general reserve by an associated company	-	-	-	-	-	750,000	(750,000)	-	-	-	-
Transferred to special reserve by associated companies	-	-	2,452	-	-	-	(2,452)	-	-	-	-
POL dividends:											
Final dividend @ Rs 25 per share - Year ended June 30, 2017	-	-	-	-	-	-	(5,913,648)	-	(5,913,648)	-	(5,913,648)
Interim dividend @ Rs 17.5 per share - Year ended June 30, 2018	-	-	-	-	-	-	(4,139,554)	-	(4,139,554)	-	(4,139,554)
Dividend to CAPGAS non - controlling interest holders	-	-	-	-	-	-	-	-	-	-	-
Interim dividend @ Rs 25 per share - Year ended June 30, 2018	-	-	-	-	-	-	-	-	-	(8,269)	(8,269)
Total transactions with owners	-	-	-	-	-	-	(10,053,202)	-	(10,053,202)	(8,269)	(10,061,471)
Balance at June 30, 2018	2,365,459	59,754	17,512	1,941,044	200,000	6,852,325	28,337,303	2,227	39,775,624	122,140	39,897,764

The annexed notes 1 to 49 form an integral part of these financial statements.


Khalid Nafees
Chief Financial Officer


Shuaib A. Malik
Chief Executive

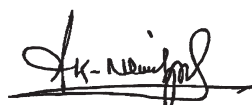

Abdus Sattar
Director

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Note	Rupees ('000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers		37,511,039	28,479,470
Operating and exploration costs paid		(11,738,511)	(9,096,650)
Royalty paid		(3,550,234)	(2,281,238)
Taxes paid		(2,906,161)	(1,273,489)
Cash provided by operating activities	44	19,316,133	15,828,093
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed assets additions		(4,778,230)	(5,261,460)
Proceeds from disposal of property, plant and equipment		5,476	14,634
Investment in mutual funds		-	(272)
Income on bank deposits and held-to-maturity investments		707,587	446,855
Dividend received from associated companies and available-for-sale investments		697,187	633,019
Cash used in investing activities		(3,367,980)	(4,167,224)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(10,022,207)	(8,274,820)
Dividend paid to non - controlling interest holders		(8,269)	(16,868)
Cash used in financing activities		(10,030,476)	(8,291,688)
EFFECT OF EXCHANGE RATE CHANGES		1,407,214	(65,353)
INCREASE IN CASH AND CASH EQUIVALENTS		(7,324,891)	3,303,828
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		14,298,660	10,994,832
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		21,623,551	14,298,660

The annexed notes 1 to 49 form an integral part of these financial statements.



Khalid Nafees
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND OPERATIONS

Pakistan Oilfields Limited (the Company) is incorporated in Pakistan as a public limited Company and its shares are quoted on Pakistan Stock Exchange Limited. 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 in Pakistan. 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 Act, 2017 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 Group.

Geographical location and addresses of all other business units of the Company have been disclosed in note 46.

2. STATEMENT OF COMPLIANCE

These are consolidated financial statements of the Company. These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 The Companies Act, 2017 (the Act) became applicable to the Company for the first time for the preparation of these financial statements. The Act forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. The Act also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes include change in nomenclature of the primary financial statements, elimination of duplicative disclosures with the International Financial Reporting Standards (IFRSs) disclosure requirements and incorporation of significant additional disclosures.

Additional disclosures required by the Act have been disclosed in note 6, 10, 12, 13, 14, 18, 23, 24, 35, 37, 42, 46, 47 and 49 to these 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:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Effective date (annual reporting periods beginning on or after)
IAS 19	January 1, 2019
IAS 28	January 1, 2019
IAS 40	January 1, 2018
IFRS 2	January 1, 2018
IFRS 4	January 1, 2018
IFRS 9	July 1, 2018
IFRS 15	July 1, 2018
IFRS 16	January 1, 2019
IFRIC 22	January 1, 2018
IFRIC 23	January 1, 2019

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 14	Regulatory Deferral Accounts
IFRS 17	Insurance contracts

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 (2017: 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.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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 recognized 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 recognized in other comprehensive income is reclassified to statement of profit or loss where applicable.

The Company's share of post-acquisition profit is recognized in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in statement of 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 recognize 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 statement of profit or loss.

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.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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 statement of financial position. Exchange differences are dealt with through the statement of profit or loss.

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 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 whereas deferred tax liability of CAPGAS has been calculated at applicable tax rate.

4.7 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.

4.8 Provision for decommissioning costs

Provision for decommissioning costs 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. Any difference between the liability recognized and actual costs incurred are charged/credited to statement of profit or loss in the year of decommissioning.

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 ranging from 2.43% p.a. to 3.66% p.a. (2017: 1.14% p.a. to 2.67% 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:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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, 2018.

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 statement of profit or loss.

Since both are complementary plans, combined details and valuation for pension plan and gratuity plan are given in note 39.

- (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, 2018 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 14.1 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.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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.

4.14 Intangible assets

These are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization is calculated using the straight line method over the period of useful life of the asset at the rates specified in note 17. Costs associated with maintaining intangibles are recognized as expense as and when incurred. Amortization on additions is charged from the month in which an intangible asset is acquired or capitalized, while no amortization 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 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.

Foreign currency transactions

4.18 Trade debts and other receivables

These are recognized and carried at their amortized cost less an allowance for any uncollectible amounts. Carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the realizability of these receivables, appropriate amount of provision is made.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

4.19 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 statement of financial position 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 statement of financial position 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.

4.20 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.

4.21 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 statement of financial position

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

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 statement of financial position. 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 statement of financial position date.

Available-for-sale investments are initially recognized at cost and carried at fair value at the financial position date. Fair value of a quoted investment is determined in relation to its market value (current bid prices) at the statement of financial position 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.

4.22 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.

4.23 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position 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.

4.24 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.

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

4.25 Joint arrangements

Investments in joint arrangements 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 up to the statement of financial position date.

4.26 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.

4.27 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 18
- ii) Estimated crude oil/gas reserves used for amortization of development and decommissioning costs - note 15
- iii) Estimated useful life of property, plant and equipment - note 14.1
- iv) Estimated costs and discount rate used for provision for decommissioning costs - note 4.8
- v) Estimated value of staff retirement benefits obligations - note 39
- vi) Provision for taxation - note 4.6
- vii) Price adjustment related to crude oil sales - note 4.24

6. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

- i) During the year sales has increased due to start of production from following wells and increase in prices during the year:
 - Jhandial well 1 (Ikhlas Petroleum Concession)
 - Adhi - 29, Adhi - 30 and Adhi South X - 1 (Adhi Mining Lease)
 - Tolanj X - 1 and Tolanj West (TAL Petroleum Concession)
 - Makori Deep and Makori East 6 (Makori D&P lease)
- ii) As described in note 26.1, on prudent basis additional revenue on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

to June 30, 2018 amounting to Rs 7,289 million will be accounted for upon resolution of the matter disclosed in note 26.1 (including Rs 2,225 million related to period July 1, 2015 to June 30, 2017 previously accounted for in the financial statements).

- iii) Other significant transactions and events have been adequately disclosed in the financial statements. For a detailed performance review, refer to the Directors' report.

	2018	2017
	Rupees ('000)	
7. SHARE CAPITAL		
Authorised capital		
500,000,000 (2017: 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 (2017: 20,200,000) ordinary shares	202,000	202,000
Shares issued as fully paid bonus shares		
216,345,920 (2017: 216,345,920) ordinary shares	2,163,459	2,163,459
236,545,920 (2017: 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 (2017: 124,776,965) ordinary shares at the year end.

	2018	2017
	Rupees ('000)	
8. CAPITAL RESERVE		
Bonus shares issued by subsidiary/associated companies	59,754	59,754
Special reserve - note 8.1	17,512	15,060
Utilised special reserve - note 8.2	1,941,044	1,941,044
	2,018,310	2,015,858

8.1 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 17,289 thousand (2017: Rs 14,843 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 223 thousand (2017: Rs 217 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.

8.2 This represents the Company's share of amounts utilised by associated companies out of the Special Reserve for upgradation and expansion of the refineries.

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	2018	2017
	Rupees ('000)	
9. REVENUE RESERVES		
Insurance reserve - note 9.1	200,000	200,000
General reserve	6,852,325	6,102,325
Unappropriated profit	28,337,303	27,539,655
	35,389,628	33,841,980

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

	2018	2017
	Rupees ('000)	
10. LONG TERM DEPOSITS		
Security deposits from distributors against equipment	908,199	953,584
Security deposits from distributors against distributorship and others	59,941	51,036
	968,140	1,004,620

10.1 Amount received as security deposit is utilized/utilizable by the Company in accordance with the related agreements with customers.

	2018	2017
	Rupees ('000)	
11. DEFERRED LIABILITIES		
Provision for deferred income tax - note 11.1	6,949,269	7,229,001
Provision for decommissioning costs - note 11.2	9,548,018	8,578,227
Provision for staff compensated absences	8,475	10,075
Provision for un-funded gratuity plan - CAPGAS	5,182	6,153
	16,510,944	15,823,456

11.1 Provision for deferred income tax

The provision for deferred income tax represents:

Temporary differences between accounting and tax base of non current assets	7,194,201	7,430,293
Provision for stores and spares	(139,544)	(121,639)
Provision for doubtful receivable	(93)	(93)
Deferred tax on remeasurement loss on staff retirement benefit plans	(105,295)	(79,560)
	6,949,269	7,229,001

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	2018	2017
	Rupees ('000)	
11.2 Provision for decommissioning costs		
Balance brought forward	8,578,227	9,821,240
Revision due to change in estimates- 11.2.1	(988,977)	(2,108,373)
Provision during the year	239,847	121,754
Unwinding of discount	592,698	715,594
Exchange loss	1,322,218	28,012
Decommissioning cost incurred during the year	(195,995)	-
	9,548,018	8,578,227
11.2.1 Revision due to change in estimates		
Credited to related asset - note 15	(685,553)	(1,507,610)
Revision in excess of related decommissioning costs asset credited to statement of profit or loss - note 28	(303,424)	(600,763)
	(988,977)	(2,108,373)
12. TRADE AND OTHER PAYABLES		
Creditors	643,224	499,402
Due to related parties		
Attock Hospital (Pvt) Limited	1,663	694
Attock Petroleum Limited	43,336	17,419
Management Staff Pension Fund	95,100	52,874
Staff Provident Fund	5,479	-
General Staff Provident Fund	1,010	-
Workers' Profit Participation Fund - note 12.1	218,085	3,648
Due to joint operating partners		
The Attock Oil Company Limited	17,219	59,482
Others	2,230,567	2,158,196
Accrued liabilities	2,964,536	2,087,546
Advance payment from customers	96,673	88,104
Royalty	524,240	296,177
Excise duty	4,499	2,439
Petroleum levy payable	23,988	-
Workers' Welfare Fund	575,734	509,627
Liability for staff compensated absences	6,443	5,064
Signature bonus on account of LPG quota payable to OGDCL	-	113,952
Other Liabilities - note 12.2	8,535,344	3,867
	15,987,140	5,898,491

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	2018	2017
	Rupees ('000)	
12.1 Workers' Profit Participation Fund		
Balance at beginning of the year	(34,502)	(15,559)
Amount allocated for the year	769,550	665,722
Amount paid to the Fund's trustees	(516,963)	(684,665)
Balance at year end	218,085	(34,502)
Less: Receivable balance related to POL shown under other receivables - note 24	-	(38,150)
	218,085	3,648

12.2 This includes Rs 8,528,240 representing payment received from a customer on account of additional revenue and related sales tax due to enhanced gas price incentive as explained in 26.1.

	2018	2017
	Rupees ('000)	

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 POL

- | | | | |
|----|---|--------|-------|
| a) | Guarantees issued by banks on behalf of the POL | 11,256 | 3,083 |
| b) | The Company is currently contesting applicability of super tax @ 3% of taxable profits from oil and gas operations under Petroleum Concession Agreements (PCAs) and has filed writ petitions in Islamabad High Court on December 29, 2015, December 28, 2016 and December 18, 2017 on the grounds that the Company being an exploration and production company falls under Special Tax Regime as granted under PCAs. Management based on legal advise is confident that the writ petitions will be decided in favour of the company, accordingly provision of Rs 779,910 thousand has not been made in these financial statements in respect of years ended June 30, 2015, 2016, 2017 and 2018. | | |

13.1.2 CAPGAS

- Guarantees issued by the bank on behalf of the Company amount to Rs Nil (2017: Rs 8.70 million) in favour of LPG supplier.
- During the year, the Islamabad High Court has held that the use of cylinders for the supply of LPG by the company did not attract the levy and charge of sales tax under sales tax Act, 1990 and consequently the Company was not entitled to claim and adjust input tax amounting to Rs 5,644 thousand. The Company has filed an appeal with the Supreme Court of Pakistan which is pending adjudication. The management and legal advisor of the Company are confident that the matter will be decided in favour of the Company. Accordingly, no provision has been made in these financial statements.
- For the tax year 2016, Additional Commissioner Punjab Revenue Authority (PRA), Rawalpindi raised tax demand of Rs 6,465 thousand (including penalty of Rs 3,233 thousand) and default surcharge for not deducting and payment of PST on transportation services, medical and other services and not getting registration under Punjab Sales Tax on Services Act, 2012. The Company filed an appeal before Commissioner Inland Revenue (Appeals) PRA which was partially upheld and imposition of penalty has been deleted and the demand was reduced to Rs 3,231 thousand along with default surcharge. The Company has filed an appeal before the Appellate Tribunal

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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PRA who has granted a stay order against recovery. The management and tax consultant are confident that above demand mainly includes PST on transportation services. Wherein the Company is not recipient of the services. The Company only arranges transportation on the specific request of distributors, the cost of which is borne by the distributors. Accordingly, the Company not being recipient of transport services and is not liable to withhold PST thereon. Accordingly, no provision has been made in these financial statements.

	2018	2017
	Rupees ('000)	
13.2 Group's share in contingencies of associated companies		
Claims not acknowledged as debt by the Company including claims in respect of delayed payment charges by crude oil suppliers and freight claims	1,120,000	1,142,500
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
Corporate guarantees and indemnity bonds issued by associated companies	383,741	558,990
Exposure to tax liability due to less distribution of dividend as per section 5A of Finance Act, 2017.	156,000	-
Other contingencies based on financial statements of associated companies	108,044	-
13.3 Capital expenditure commitments outstanding		
POL		
Share in joint operations	4,993,526	7,622,953
Own fields	1,014,509	2,774,835
Letter of credit issued by banks on behalf of POL	510,878	56,868
14. PROPERTY, PLANT AND EQUIPMENT		
Operating assets - note 14.1	8,824,226	9,022,444
Capital work in progress - note 14.6	650,464	912,728
	9,474,690	9,935,172

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14.1 Operating assets

	Freehold land	Buildings	Pipelines and pumps	Plant and machinery		Gas cylinders	Motor vehicles	Chattels	Computer and software development	Total
				Field plants	Rigs					
				Rupees ('000)						
As at July 1, 2016										
Cost	29,913	478,941	1,933,558	13,691,605	624,287	937,178	506,416	145,380	441,028	18,788,306
Accumulated depreciation	-	(190,786)	(896,252)	(6,142,770)	(417,784)	(597,149)	(398,190)	(94,278)	(326,683)	(9,063,892)
Net book value	29,913	288,155	1,037,306	7,548,835	206,503	340,029	108,226	51,102	114,345	9,724,414
Year ended June 30, 2017										
Opening net book value	29,913	288,155	1,037,306	7,548,835	206,503	340,029	108,226	51,102	114,345	9,724,414
Additions	-	32,439	265,081	491,779	64,788	16,160	26,061	7,158	22,629	926,095
Disposals										
Cost	-	(1,268)	(62,133)	(50,416)	(2,079)	(10,422)	(9,954)	(1,342)	(741)	(138,355)
Depreciation	-	706	35,277	43,102	2,075	10,422	9,954	1,165	741	103,442
	-	(562)	(26,856)	(7,314)	(4)	-	-	(177)	-	(34,913)
Depreciation charge	-	(22,048)	(170,138)	(1,179,794)	(43,377)	(54,507)	(52,854)	(12,718)	(57,716)	(1,593,152)
Closing net book value	29,913	297,984	1,105,393	6,853,506	227,910	301,682	81,433	45,365	79,258	9,022,444
As at July 1, 2017										
Cost	29,913	510,112	2,136,506	14,132,968	686,996	942,916	522,523	151,196	462,916	19,576,046
Accumulated depreciation	-	(212,128)	(1,031,113)	(7,279,462)	(459,086)	(641,234)	(441,090)	(105,831)	(383,658)	(10,553,602)
Net book value	29,913	297,984	1,105,393	6,853,506	227,910	301,682	81,433	45,365	79,258	9,022,444
Year ended June 30, 2018										
Opening net book value	29,913	297,984	1,105,393	6,853,506	227,910	301,682	81,433	45,365	79,258	9,022,444
Additions	-	19,343	270,967	982,722	41,811	9,498	24,323	14,267	11,309	1,374,240
Disposals/deletions										
Cost	-	-	(2,007)	(1,271)	(22)	(26,721)	(9,438)	(12)	(361)	(39,832)
Depreciation	-	-	1,510	1,271	22	26,721	9,438	12	361	39,335
	-	-	(497)	-	-	-	-	-	-	(497)
Depreciation charge	-	(22,448)	(186,582)	(1,165,391)	(45,764)	(58,110)	(41,712)	(12,027)	(39,927)	(1,571,961)
Closing net book value	29,913	294,879	1,189,281	6,670,837	223,957	253,070	64,044	47,605	50,640	8,824,226
As at June 30, 2018										
Cost	29,913	529,455	2,405,466	15,114,419	728,785	925,693	537,408	165,451	473,864	20,910,454
Accumulated depreciation	-	(234,576)	(1,216,185)	(8,443,582)	(504,828)	(672,623)	(473,364)	(117,846)	(423,224)	(12,086,228)
Net book value	29,913	294,879	1,189,281	6,670,837	223,957	253,070	64,044	47,605	50,640	8,824,226
Annual rate of Depreciation (%)	-	5	10	10	10	10	20	12.5-20	25	

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14.2 Cost and accumulated depreciation include:

	Cost		Accumulated depreciation	
	2018	2017	2018	2017
Rupees ('000)				
Share in joint operations operated by the Company	1,438,457	1,333,515	1,246,781	1,211,438
Assets not in possession of the Company				
Share in joint operations operated by others				
MOL Pakistan Oil and Gas Company B.V.	10,554,563	9,633,287	5,515,599	4,555,569
Ocean Pakistan Limited	74,343	63,804	56,533	53,923
Oil and Gas Development Company Limited	67,647	67,467	35,952	30,510
Pakistan Petroleum Limited	1,890,699	1,722,623	690,686	539,157
	12,587,252	11,487,181	6,298,770	5,179,159
*Gas cylinders - in possession of distributors	858,661	843,301	633,023	559,501
	27,471,622	25,151,178	14,477,344	12,129,257

*Due to large number of distributors it is impracticable to disclose the name of each person having possession of these assets, as required under Paragraph 12 of Part II of the 4th Schedule to the Companies Act, 2017.

	2018	2017
Rupees ('000)		
14.3 The depreciation charge has been allocated as follows:		
Operating costs	1,495,548	1,511,810
Other income - Crude transportation income	76,110	80,927
Administrative expenses	303	415
	1,571,961	1,593,152

14.4 Property, plant and equipment disposals:

There were no disposals of property, plant and equipment having a net book value in excess of Rs 500,000 during the year.

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14.5 Particulars of Company's immovable property including location and area of land are as follows:

District	Location	Total Area (In acres)
Attock	Khaur	297.59
Attock	Dhulian	746.17
Attock	Meyal	194.44
Chakwal	Balkassar	2.14
Rawalpindi	Rawalpindi	35.76
Rawalpindi	Adhi	0.24

14.6 Capital work in progress

	Buildings	Plant and machinery / Pipelines and pumps	Computers and software development	Total
Rupees ('000)				
Balance as at July 1, 2016	10,076	777,346	4,950	792,372
Additions during the year	11,816	444,169	(3,551)	452,434
Transfers during the year	(21,892)	(308,787)	(1,399)	(332,078)
Balance as at June 30, 2017	-	912,728	-	912,728
Balance as at July 1, 2017	-	912,728	-	912,728
Additions/(adjustments) during the year	11,610	263,215	-	274,825
Transfers during the year	(11,610)	(525,479)	-	(537,089)
Balance as at June 30, 2018	-	650,464	-	650,464

	2018	2017
Rupees ('000)		
14.7 Break up of capital work in progress at June 30 is as follows:		
POL		
Own fields	23,161	4,016
POLGAS plant	3,880	-
Share in joint operations operated by the Company		
- Ikhlas	-	21,125
Share in joint operations operated by others		
MOL Pakistan Oil and Gas Company B.V.		
- TAL Block	43,918	427,584
- Margala Block 3372-20	269	269
Oil and Gas Development Company Limited		
- Jhal Magsi D&P Lease	448,719	454,530
Pakistan Petroleum Limited		
- Adhi Mining Lease	130,517	5,204
	650,464	912,728

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15. DEVELOPMENT AND DECOMMISSIONING COSTS

	Development Cost	Decommissioning Cost	Total
	Rupees ('000)		
As at July 1, 2016			
Cost	34,249,232	4,059,830	38,309,062
Accumulated amortization	(21,600,212)	(2,123,937)	(23,724,149)
Net book value	12,649,020	1,935,893	14,584,913
Year ended June 30, 2017			
Opening net book value	12,649,020	1,935,893	14,584,913
Additions	2,039,456	121,754	2,161,210
Revision due to change in estimates note 11.2.1	-	(1,507,610)	(1,507,610)
Well Cost transferred from exploration and evaluation assets - note 16	944,410	-	944,410
Amortization for the year	(2,719,058)	(91,011)	(2,810,069)
Closing net book value	12,913,828	459,026	13,372,854
As at July 1, 2017			
Cost	37,233,098	2,673,974	39,907,072
Accumulated amortization	(24,319,270)	(2,214,948)	(26,534,218)
Net book value	12,913,828	459,026	13,372,854
Year ended June 30, 2018			
Opening net book value	12,913,828	459,026	13,372,854
Additions	407,011	239,847	646,858
Disposals			
Cost	-	(83,603)	(83,603)
Accumulated amortization	-	83,603	83,603
Revision due to change in estimates note 11.2.1	(686,974)	1,421	(685,553)
Well Cost transferred from exploration and evaluation assets - note 16	2,552,809	-	2,552,809
Amortization for the year	(3,011,013)	(279,235)	(3,290,248)
Closing net book value	12,175,661	421,059	12,596,720
As at June 30, 2018			
Cost	39,505,944	2,831,639	42,337,583
Accumulated amortization	(27,330,283)	(2,410,580)	(29,740,863)
Net book value	12,175,661	421,059	12,596,720

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	2018	2017
	Rupees ('000)	
16. EXPLORATION AND EVALUATION ASSETS		
Balance brought forward	1,884,356	900,813
Additions during the year	4,844,825	2,899,238
	6,729,181	3,800,051
Wells cost transferred to development cost - note 15	(2,552,809)	(944,410)
Dry and abandoned wells and irrecoverable cost charged to statement of profit or loss - note 29	(1,585,582)	(971,285)
	2,590,790	1,884,356
16.1 Break up of exploration and evaluation assets at June 30 is as follows:		
Own fields		
- Khaur D&Production Lease (153/PAK/2002)	1,599,505	36,055
Share in joint operations operated by the Company		
- Ikhlas Petroleum Concession (3372-18)	-	1,640,789
Share in joint operations operated by others		
MOL Pakistan Oil and Gas Company B.V.		
- TAL Petroleum Concession (Block 3370-3)	582,047	184,844
Pakistan Petroleum Limited		
- Adhi Mining Lease (72/PAKISTAN)	-	22,668
- Hisal Petroleum Concession (3372-23)	409,238	-
	2,590,790	1,884,356
17. OTHER INTANGIBLE ASSETS		
LPG Quota		
Written down value	283,363	71,941
Additions during the year	-	247,600
Less: Amortization for the year	65,820	36,178
	217,543	283,363
Annual rate of amortization (%) - straight line	20	20

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	2018	2017
	Rupees ('000)	
18. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES - EQUITY BASIS		
Beginning of the year	17,044,413	14,017,705
Share of profit of associated companies	843,354	2,387,070
Share of other comprehensive income of associated companies	(15,510)	17,460
Impairment reversal against investment in National Refinery Limited	178,421	1,254,835
Dividend received during the year	(697,187)	(632,657)
End of the year	17,353,491	17,044,413
18.1 The Group's interest in associates are as follows:		
<u>Quoted</u>		
National Refinery Limited - note 18.3 19,991,640 (2017: 19,991,640) fully paid ordinary shares including 3,331,940 (2017: 3,331,940) bonus shares of Rs 10 each Cost Rs 8,046,635 thousand (2017: 8,046,635 thousand) Quoted market value as at June 30, 2018: Rs 8,856,496 thousand (2017: Rs 14,513,731 thousand)	14,793,814	14,637,479
Attock Petroleum Limited (APL) - note 18.3 5,820,595 (2017: 5,820,595) fully paid ordinary shares including 2,452,195 (2017: 2,452,195) bonus shares of Rs 10 each Cost Rs 1,562,938 thousand (2017: 1,562,938 thousand) Quoted market value as at June 30, 2018: Rs 3,434,093 thousand; (2017: Rs 3,646,195 thousand)	2,535,441	2,386,447
<u>Unquoted</u>		
Attock Information Technology Services (Pvt) Limited (AITSL) 450,000 (2017: 450,000) fully paid ordinary shares of Rs 10 each	24,236	20,487
	17,353,491	17,044,413

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.

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18.2 No investment was made in subsidiary and associated companies during the year.

18.3 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, 2018 (2017: June 30, 2017) and not the reporting entity's share of those amounts.

	National Refinery Limited		Attock Petroleum Limited		Attock Information Technology Services (Pvt) Limited	
	2018	2017	2018	2017	2018	2017
	Rupees ('000)					
Summarised financial position						
Current assets	27,547,962	22,751,593	38,148,564	32,500,125	216,946	168,655
Non- current assets	38,266,309	38,634,352	7,982,762	5,867,006	46,546	53,880
Current liabilities	22,206,011	16,683,185	26,802,124	21,339,059	18,146	13,768
Non- current liabilities	356,723	1,362,880	911,540	733,581	2,991	3,901
Net assets	43,251,537	43,339,880	18,417,662	16,294,491	242,355	204,866
Reconciliation to carrying amounts:						
Net assets as at July 1	43,339,880	36,822,443	16,294,491	14,317,166	204,867	167,310
Profit for the year	1,770,684	8,045,781	5,656,349	5,299,168	37,487	37,557
Other comprehensive income/(loss)	(59,779)	70,987	(8,058)	(4,083)	-	-
Dividends paid	(1,799,248)	(1,599,331)	(3,525,120)	(3,317,760)	-	-
Net assets as at June 30	43,251,537	43,339,880	18,417,662	16,294,491	242,354	204,867
Group's percentage shareholding in the associate	25%	25%	7.0175%	7.0175%	10%	10%
Group's share in net assets	10,812,884	10,834,970	1,292,459	1,143,465	24,236	20,487
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	17,184,239	17,206,325	2,535,441	2,386,447	24,236	20,487
Impairment	(2,390,425)	(2,568,846)	-	-	-	-
Carrying amount of investment	14,793,814	14,637,479	2,535,441	2,386,447	24,236	20,487

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	National Refinery Limited		Attock Petroleum Limited		Attock Information Technology Services (Pvt) Limited	
	2018	2017	2018	2017	2018	2017
	Rupees ('000)		Rupees ('000)		Rupees ('000)	
Summarised statements of comprehensive income						
Net revenue	136,984,940	107,447,444	177,344,437	138,660,665	111,615	83,050
Profit for the year	1,770,684	8,045,781	5,656,349	5,299,168	37,487	37,557
Other comprehensive income	(59,779)	70,987	(8,058)	(4,083)	-	-
Total comprehensive income	1,710,905	8,116,768	5,648,291	5,295,085	37,487	37,557
Dividend received from associates	449,812	399,833	247,375	232,824	-	-

18.4 The carrying value of investment in National Refinery Limited at June 30, 2018 is net of impairment loss of Rs 2,390,425 thousand (2017: Rs 2,568,846 thousand). The carrying value is based on a valuation analysis carried out by an external investment advisor engaged by the Group. 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 an average gross profit margin of 5.32% (2017: 4.96%), terminal growth rate of 3% (2017: 4%) and capital asset pricing model based discount rate of 15.13% (2017: 11.67%).

	2018	2017
	Rupees ('000)	
19. OTHER LONG TERM INVESTMENTS		
Available-for-sale investments - note 19.1	6,479	6,255
19.1 Available-for-sale investment - at fair value		
Balance at the beginning of the year	6,255	5,975
Additions during the year	-	272
Fair value adjustment	224	8
Balance at the end of the year	6,479	6,255

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	2018			2017	
	Number of shares/units	Cost less impairment loss	Adjustment arising from remeasurement to fair value	Fair value	Fair value

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

	Rupees ('000)				
Listed securities:					
Meezan Sovereign Fund	10,965	442	136	578	565
Pakistan Cash Management Fund	13,049	492	195	687	655
IGI Money Market Fund	13,208	993	355	1,348	1,287
Atlas Money Market Fund	1,143	455	150	605	573
UBL Liquidity Plus Fund	13,318	1,004	335	1,339	1,342
Unlisted securities:					
Atlas Asset Management Company	3,581	866	1,056	1,922	1,833
		4,252	2,227	6,479	6,255

19.1.2 The fair value of listed securities is based on quoted market prices at the statement of financial position 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, 2018 as quoted by the respective Asset Management Company.

	2018	2017
	Rupees ('000)	
20. LONG TERM LOANS AND ADVANCES, CONSIDERED GOOD		
Long term loans and advances to employees	41,388	41,057
Less: Amount due within twelve months, shown under current loans and advances - note 24	26,316	23,418
	15,072	17,639

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20.1 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. These loans have not been discounted, as the impact is considered insignificant.

	2018	2017
	Rupees ('000)	
21. STORES AND SPARES		
Stores and spares - note 21.1	4,037,689	4,303,710
Less: Provision for slow moving items - note 21.2	465,146	405,462
	3,572,543	3,898,248
21.1 Stores and spares include:		
Share in joint operations operated by the Company	258,933	302,524
Share in joint operations operated by others (assets not in possession of the Company)	1,711,627	1,671,689
	1,970,560	1,974,213
21.2 Provision for slow moving items		
Balance brought forward	405,462	350,475
Provision for the year	59,684	54,987
	465,146	405,462
22. STOCK IN TRADE		
Crude oil and other products	320,152	245,060

These include Rs 145,157 thousand (2017: Rs 142,800 thousand) being the Company's share in joint operations.

	2018	2017
	Rupees ('000)	
23. TRADE DEBTS - Considered good		
Due from related parties - note 23.1	3,689,140	1,442,801
Others	4,553,746	1,850,419
	8,242,886	3,293,220
23.1 Due from related parties		
Associated companies		
Attock Refinery Limited	3,598,061	1,298,647
National Refinery Limited	91,079	144,154
	3,689,140	1,442,801

Ageing analysis of trade debts receivable from related parties is given in note 38.3 to the financial statements.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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The maximum aggregate amount receivable from related parties at the end of any month during the year was Rs 3,689,140 thousand (2017: Rs 2,656,646 thousand).

	2018	2017
	Rupees ('000)	
24. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Loans and advances - considered good		
Employees - note 20	26,316	23,418
Suppliers	202,743	135,455
	229,059	158,873
Trade deposits and short term prepayments		
Deposits	125,352	123,985
Short-term prepayments	128,636	237,689
	253,988	361,674
Interest income accrued	95,517	39,552
Other receivables		
Joint Operating partners	47,519	352,183
Due from related parties		
Parent company		
The Attock Oil Company Limited	40,528	33,201
Staff Provident Fund	-	5,217
General Staff Provident Fund	-	345
Workers Profit Participation Fund - note 12.1	-	38,150
Gratuity Fund - note 39.2	66,068	58,487
Sales tax	1,557,033	241,777
Other receivables (net of provision for doubtful receivable Rs 310 thousand (2017: Rs 310 thousand))	21,448	35,847
	1,732,596	765,207
	2,311,160	1,325,306

24.1 The aggregate maximum amount due from related parties at the end of any month during the year was Rs 106,596 thousand (2017: Rs 135,400 thousand) respectively.

	2018	2017
	Rupees ('000)	
24.2 The aging analysis of receivable from related parties is as follows:		
Upto 3 month	89,164	113,266
3 to 6 month	8,719	11,067
More than 6 month	8,713	11,067
	106,596	135,400

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	2018	2017
	Rupees ('000)	
25. CASH AND BANK BALANCES		
Bank balance on		
Short term deposits	20,044,527	12,615,073
Interest/mark-up bearing saving accounts	1,574,664	1,655,764
Current accounts	1,613	24,848
	21,620,804	14,295,685
Cash in hand	2,747	2,975
	21,623,551	14,298,660

Balance with banks include foreign currency balances of US \$ 94,990 thousand (2017: US \$ 73,533 thousand). The balances in saving accounts and short term deposits earned interest/ mark-up ranging from 0.10% to 7.40% (2017: 0.25% to 6.85%).

	2018	2017
	Rupees ('000)	
26. NET SALES		
Crude oil	17,597,511	12,035,771
Gas - note 26.1	8,572,856	9,499,633
POLGAS/CAPGAS - Refill of cylinders	7,098,208	6,227,364
Solvent oil	180,425	131,255
Sulphur	7,950	5,800
	33,456,950	27,899,823

26.1 On August 28, 2015, the Company signed the Supplemental Agreement with the Government of Pakistan (the Government) for conversion of TAL Block Petroleum Concession Agreement (PCA) signed under the 1997 Petroleum Policy to Petroleum (Exploration & Production) Policy 2012 (Petroleum Policy 2012). Price regimes prevailing in Petroleum Policy 2007, Petroleum Policy 2009 and Petroleum Policy 2012 shall be applicable correlated with the spud date of wells in the respective policies starting from November 27, 2007 and for future exploratory efforts under the above mentioned block. The conversion package included Windfall levy on Natural gas only. Draft statements specifying sums aggregating US \$ 34,213 thousand (Rs 3,393,389 thousand) till June 30, 2015 due to the Company in respect of Mamikhel, Maramzi & Makori East discoveries in TAL block were submitted to the Government on December 8, 2015. On October 9, 2017 Oil and Gas Regulatory Authority (OGRA) issued gas price notifications of the subject areas.

On December 27, 2017, the Ministry of Energy (Petroleum Division) notified certain amendments in Petroleum Policy 2012 which also included addition of following explanation of conversion package:

“the conversion package shall include (i) price of Natural Gas for New Exploration Efforts (ii) windfall levy on Natural Gas (iii) EWT gas production, pricing and obligations (iv) Windfall levy on Oil & Condensate, only for PCAs converting from 1994 and 1997 Petroleum Policies and (v) Financial obligations relating to production bonus, social welfare and training”.

Under the said Notification, the Supplemental Agreements already executed for conversion from Petroleum policies of 1994 & 1997 shall be amended within 90 days, failing which the working interest owners will not remain eligible for gas price incentive. On January 3, 2018, Directorate General Petroleum Concessions (DGPC) has required all exploration and production companies to submit supplemental agreements to incorporate the aforementioned amendments in Petroleum

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Concession Agreements (PCAs) signed under 1994 and 1997 policies, for execution within the stipulated time as specified above.

Based on legal advice, the Company is of the view that already executed Supplemental Agreement cannot be changed unilaterally, the Supplemental Agreement was signed under the Conversion Package where gas price was enhanced and Windfall Levy on Oil/Condensate (WLO) was not applicable, the impugned SRO by giving retrospective effect amounts to taking away the vested rights already accrued in favour of the Company. The Government has no authority to give any law or policy a retrospective effect. The impact of WLO on conversion of TAL Block till June 30, 2018 is approximately Rs 11,576,757 thousand. The Company filed Constitutional Petition challenging the imposition of WLO on February 19, 2018 against Federation of Pakistan through Ministry of Energy (Petroleum Division), Islamabad. The Honorable Islamabad High Court after hearing the petitioner on February 20, 2018, directed the parties to maintain the status quo in this respect and further directed the respondents to file their report & para wise comments before next date of hearing.

On prudent basis additional revenue on account of enhanced gas price incentive due to conversion from Petroleum Policy 1997 to Petroleum Policy 2012 since inception to June 30, 2018 amounting to Rs 7,289,169 thousand will be accounted for upon resolution of this matter (including Rs 2,225,158 thousand related to period July 1, 2015 to June 30, 2017 previously accounted for in the financial statements). Additional revenue on account of enhanced gas price incentive of Rs 8,528,240 thousand including sales tax of Rs 1,239,071 thousand received from customer on the basis of notified prices has been shown under "Other liabilities" under "trade and other payables".

	2018	2017
	Rupees ('000)	
27. OPERATING COSTS		
Operating cost - Own fields	987,867	1,094,791
- Share in joint operations	2,511,524	2,315,194
Well work over	55,790	197,939
POLGAS/CAPGAS -Cost of gas/LPG, carriage etc.	3,919,873	3,524,230
Head office and insurance charges	174,039	62,526
Pumping and transportation cost	54,056	33,064
Depreciation and amortization	1,561,368	1,547,988
	9,264,517	8,775,732
Opening stock of crude oil and other products	245,060	380,087
Closing stock of crude oil and other products	(320,152)	(245,060)
	9,189,425	8,910,759
28. AMORTIZATION OF DEVELOPMENT AND DECOMMISSIONING COSTS		
Amoritzation charge for the year - note 15	3,290,248	2,810,069
Revision in estimates of provision for decommissioning costs in excess of related decommissioning costs asset credited to statement of profit or loss - note 11.2.1	(303,424)	(600,763)
	2,986,824	2,209,306

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	2018	2017
	Rupees ('000)	
29. EXPLORATION COSTS		
Geological and geophysical cost		
Own fields	530,122	2,649
Share in joint operations operated by the Company		
- DG Khan	485,568	22,816
- Ikhlas	60,409	112,871
- Kirthar South	35,874	34,194
-Turkwal	1,472	-
- Pindori	-	392
Share in joint operations operated by the others		
MOL Pakistan Oil and Gas Company B.V.		
- TAL Block	(20,034)	4,860
- Margala Block	24,962	63,688
- Margala North Block	97	(13,179)
- Tolanj South	-	23,193
- KOT	-	207
- Malgin	-	246
Oil and Gas Development Company Limited		
- Kotra	2,053	822
- Gurgalot	230,741	39,310
- Chak Naurang	-	(1,776)
Pakistan Petroleum Limited		
- Hisal	35,539	185,576
Ocean Pakistan Limited		
- Ratana	18,026	21,171
- Dhurnal	(258)	
	1,404,571	497,040
Dry and abandoned wells and irrecoverable cost charged to the statement of profit or loss account - note 16	1,585,582	971,285
	2,990,153	1,468,325

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	2018	2017
	Rupees ('000)	
30. ADMINISTRATION EXPENSES		
Establishment charges	273,780	186,055
Telephone and telex	1,029	1,321
Medical expenses	9,182	6,472
Printing, stationery and publications	8,145	8,921
Insurance	3,700	3,232
Travelling expenses	2,636	2,440
Motor vehicle running expenses	10,045	9,165
Rent, repairs and maintenance	50,588	35,265
Auditor's remuneration - note 30.1	7,080	7,319
Legal and professional charges	24,480	5,547
Stock exchange and CDC fee	1,544	1,241
Computer support and maintenance charges	29,307	25,416
Depreciation	303	415
Donation*	-	90
Other expenses	6,553	6,546
	428,372	299,445
Less: Amount allocated to field expenses	237,093	161,477
	191,279	137,968

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

	2018	2017
	Rupees ('000)	
30.1 Auditor's remuneration:		
Statutory audit - POL	1,695	1,614
- Capgas	386	368
Review of half yearly accounts, audit of consolidated accounts, staff funds, special certifications	1,404	927
Tax services	3,190	4,002
Out of pocket expenses	405	408
	7,080	7,319
31. FINANCE COSTS		
Provision for decommissioning cost - note 11.2		
- Unwinding of discount	592,698	715,594
- Exchange loss	1,322,218	28,012
Banks' commission and charges	4,125	3,473
	1,919,041	747,079
32. OTHER CHARGES		
Workers' Profit Participation Fund	769,550	665,722
Workers' Welfare Fund	202,555	148,340
	972,105	814,062

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	2018	2017
	Rupees ('000)	
33. OTHER INCOME		
Income from financial assets		
Income on bank deposits	762,692	448,852
Income on held-to-maturity investments	860	6,016
Exchange gain/(loss) on financial assets	1,407,214	(65,353)
Dividend on available-for-sale investments - note 33.1	-	362
Income from assets other than financial assets		
Rental income (net of related expenses Rs 54,441 thousand; 2017: Rs 61,031 thousand)	136,881	152,838
Crude oil/gas transportation income (net of related expenses Rs 242,194 thousand; 2017: Rs 221,666 thousand)	125,865	187,811
Gas processing fee	109,382	110,914
Profit/(loss) on sale of property, plant and equipment	4,979	(20,279)
Sale of stores and scrap	2,868	4,487
Security deposits from distributors for cylinders/ equipment written back	26,561	-
Recovery against investment -TDRs written off in prior years	10,000	-
Others	8,655	7,923
	2,595,957	833,571
33.1 Dividend on available for sale investments		
Meezan Sovereign Fund	-	29
Pakistan Cash Management Fund	-	50
IGI Money Market Fund	-	80
Atlas Money Market Fund	-	33
UBL Liquidity Plus Fund	-	77
Atlas Asset Management Company	-	93
	-	362
34. SHARE OF PROFITS OF ASSOCIATED COMPANIES		

Share of 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, 2018.

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FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
35. PROVISION FOR TAXATION		
Current		
- for the year	3,290,528	2,496,263
- for prior years	(373)	(369,526)
	3,290,155	2,126,737
Deferred		
- for the year	(253,957)	1,200,558
- for prior years	-	239,508
	(253,957)	1,440,066
	3,036,198	3,566,803
35.1 Reconciliation of tax charge for the year		
Accounting profit	14,739,855	15,471,875
* Tax at applicable tax rate of 46.59% (2017: 46.04%)	6,867,298	7,123,251
Tax effect of depletion allowance and royalty payments	(3,446,084)	(2,742,442)
Tax effect of income that is not taxable or taxable at reduced rates	(640,270)	(1,057,166)
Tax effect of prior year	(373)	(130,018)
Others	255,627	373,178
Tax charge for the year	3,036,198	3,566,803

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

35.2 Management assessment of sufficiency of current income tax provision

A comparison of provision on account of income taxes of the Group with most recent tax assessment for last three years is as follows:

	2017	2016	2015
	Rupees ('000)		
*Tax assessed as per most recent tax assessment	2,017,366	923,923	2,525,145
Provision in financial statements	2,495,890	1,240,648	3,619,796

Various appeals are pending at different appellate forums on the issues of depletion allowance, prospecting, exploration and development expenditure and tax rate. The Group computes tax based on the generally accepted interpretations of the tax laws and considering views followed by tax authorities to ensure that the sufficient provision for the purpose of taxation is available. According to management, the tax provision made in the financial statements is sufficient.

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*It represents current income tax payable for the relevant year as per the return of income filed by the Group as in the absence of assessment orders by the taxation authorities, return of income is deemed to be an assessment order under section 120 of the Income Tax Ordinance, 2001.

36. 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 68% of the total revenue during the year ended June 30, 2018 (June 30, 2017: 63%).

37. 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	
	2018	2017	2018	2017*
	Rupees ('000)			
Managerial remuneration	7,612	6,920	92,852	73,730
Bonus	5,440	3,460	55,127	27,629
Housing, utility and conveyance	5,774	5,456	81,090	63,264
Company's contribution to pension, gratuity and provident funds	-	-	34,787	38,544
Leave passage	1,153	1,153	12,361	9,495
Other benefits	4,551	3,832	37,536	33,109
	24,530	20,821	313,753	245,771
No. of persons, including those who worked part of the year	1	1	43	36

*Comparative figures have been restated to reflect changes in the definition of executive as per the Companies Act, 2017.

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.

Meeting fee of Rs 4,459 thousand (2017: Rs 4,734 thousand) was paid to Directors and Chief Executive of the Company based on actual attendance. This includes Rs 2,676 thousand (2017: Rs 2,767 thousand) paid to non-executive director of the Company.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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38. FINANCIAL INSTRUMENTS

38.1 Financial assets and liabilities

	Loans and receivables	Available- for-sale Investments	Total
	Rupees ('000)		
June 30, 2018			
Financial assets			
Maturity up to one year			
Trade debts	8,242,886	-	8,242,886
Advances, deposits and other receivables	422,748	-	422,748
Cash and bank balances	21,623,551	-	21,623,551
Maturity after one year			
Other long term investments	-	6,479	6,479
Long term loans and advances	15,072	-	15,072
	30,304,257	6,479	30,310,736
Financial liabilities			
		Other financial liabilities	Total
	Rupees ('000)		
Maturity up to one year			
Trade and other payables		14,543,921	14,543,921
Unclaimed dividend		170,717	170,717
Maturity after one year			
Long term deposits		968,140	968,140
Provision for decommissioning cost		9,548,018	9,548,018
Provision for staff compensated absences		8,475	8,475
Provision for un-funded gratuity plan - CAPGAS		5,182	5,182
		25,244,453	25,244,453
	Loans and receivables	Available- for-sale Investments	Total
	Rupees ('000)		
June 30, 2017			
Financial assets			
Maturity up to one year			
Trade debts	3,293,220	-	3,293,220
Advances, deposits and other receivables	672,235	-	672,235
Cash and bank balances	14,298,660	-	14,298,660
Maturity after one year			
Other long term investments	-	6,255	6,255
Long term loans and advances	17,639	-	17,639
	18,281,754	6,255	18,288,009

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Financial liabilities	Other financial liabilities	Total
Rupees ('000)		
Maturity up to one year		
Trade and other payables	5,138,218	5,138,218
Unclaimed dividend	139,722	139,722
Maturity after one year		
Long term deposits	1,004,620	1,004,620
Provision for decommissioning cost	8,578,227	8,578,227
Provision for staff compensated absences	10,075	10,075
Provision for un-funded gratuity plan - CAPGAS	6,153	6,153
	14,877,015	14,877,015

38.2 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	2018 Rupees ('000)	2017 Rupees ('000)
Trade debts			
Counterparties with external credit rating	A1+	4,071,482	1,666,094
	A1	3,585,716	1,186,945
	A2	212,130	52,260
Counterparties without external credit rating			
Existing customers/ joint venture partners with no default in the past		373,558	387,921
		8,242,886	3,293,220
Advances, deposits and other receivables			
Counterparties with external credit rating	A1+	136,497	79,065
Counterparties without external credit rating			
Existing customers/ joint operating partners with no default in the past		131,891	436,655
Receivable from employees/ employee benefit plans		92,384	87,467
Receivable from parent company		40,528	33,201
Others		21,448	35,847
		422,748	672,235

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

		2018	2017
	Rating	Rupees ('000)	
Bank balances			
Counterparties with external credit rating	A1+	21,620,571	14,295,439
	A1	233	219
	A2	-	27
		21,620,804	14,295,685
Available for sale investments			
Counterparties with external credit rating	AAA	-	655
	AA	1,944	2,480
	AA-	578	-
	AA+	687	1,287
	AM2+	3,270	1,833
		6,479	6,255
Long term loans and advances			
Counterparties without external credit rating			
Receivable from employees		15,072	17,639

38.3 FINANCIAL RISK MANAGEMENT

38.3.1 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, 2018, trade debts of Rs 2,012,420 (2017: Rs 799,688 thousand) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2018	2017
	Rupees ('000)	
Due from related parties		
Up to 3 months	347,979	200,409
3 to 6 months	-	1,470
6 to 12 months	-	2,381
Above 12 months	43,058	74,498
	391,037	278,758
Due from others		
Up to 3 months	637,203	248,809
3 to 6 months	434,534	127,248
6 to 12 months	280,211	46,222
Above 12 months	269,435	98,651
	1,621,383	520,930
	2,012,420	799,688

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(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, 2018, the Company had financial assets of Rs 30,310,736 thousand (2017: Rs 18,288,009 thousand).

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the financial position date 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, 2018			
Long term deposits	-	837,325	130,815
Provision for decommissioning cost	-	9,152,559	4,837,182
Provision for staff compensated absences	-	8,475	-
Provision for gratuity plan - CAPGAS	-	5,182	-
Trade and other payables	14,543,921	-	-
Unclaimed dividend	170,717		
At June 30, 2017			
Long term deposits	-	1,004,620	-
Provision for decommissioning cost	-	6,322,376	7,580,770
Provision for staff compensated absences	-	10,075	-
Provision for gratuity plan - CAPGAS	-	6,153	-
Trade and other payables	5,138,218	-	-
Unclaimed dividend	139,722		

(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 14,476,843 thousand (2017: Rs 9,432,398 thousand) and financial liabilities include Rs 11,626,803 thousand (2017: Rs 10,115,687 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 199,503 thousand lower/higher (2017: Rs 47,147 thousand higher/ lower).

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

(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 Group 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 21,619,191 thousand (2017: Rs 14,270,837 thousand) and financial liabilities include Rs 9,548,018 thousand (2017: Rs 8,578,227 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 84,498 thousand (2017: Rs 98,469 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 consolidated statement of financial position 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 6,479 thousand (2017: Rs 6,255 thousand) which were subject to price risk.

38.3.2 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.

38.3.3 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;

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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	Level 1	Level 2	Level 3	Total
	Rupees ('000)			
June 30, 2018				
Other long term investments Available-for-sale investment	6,479	-	-	6,479
June 30, 2017				
Other long term investments Available-for-sale investment	6,255	-	-	6,255

39. STAFF RETIREMENT BENEFITS

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

39.1 Funded gratuity and pension plan

39.2 The amounts recognized in the consolidated statement of financial position are as follows:

	2018	2017
	Rupees ('000)	
Present value of defined benefit obligations	1,500,895	1,437,088
Fair value of plan assets	(1,471,863)	(1,442,701)
	29,032	(5,613)
Amounts in the consolidated statement of financial position:		
Gratuity Fund (Asset)	(66,068)	(58,487)
Management Staff Pension Fund Liability	95,100	52,874
Net liability/ (asset)	29,032	(5,613)
39.3 The amounts recognized in the statement of profit or loss are as follows:		
Current service cost	31,562	31,975
Net interest cost	(3,704)	(5,371)
	27,858	26,604
39.4 The amounts recognized in other comprehensive income are as follows:		
Remeasurement due to:		
Change in financial assumptions	(59,175)	(7,133)
Experience adjustments	111,314	77,278
Investment return	33,783	8,727
	85,922	78,872
39.5 Changes in the present value of defined benefit obligation are as follows:		
Opening defined benefit obligation	1,437,088	1,381,416
Current service cost	31,562	31,975
Interest cost	112,416	98,183
Measurement	52,139	70,144
Benefits paid	(132,310)	(144,630)
Closing defined benefit obligation	1,500,895	1,437,088

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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	2018	2017
	Rupees ('000)	
39.6 Changes in fair value of plan assets are as follows:		
Opening fair value of plan assets	1,442,701	1,413,566
Interest income	116,122	103,554
Measurement	(33,783)	(8,727)
Contribution by employer	79,134	78,938
Benefits paid	(132,311)	(144,630)
Closing fair value of plan assets	1,471,863	1,442,701

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

	2018		2017	
	Rupees ('000)	%age	Rupees ('000)	%age
Government bonds	343,756	23	1,399,777	97
National savings deposits	-	-	32,792	2
Mutual Funds	28,919	2	-	-
Cash and cash equivalents	1,099,188	75	10,132	1
	1,471,863	100	1,442,701	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.

39.8 Principal actuarial assumptions

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

	2018	2017
	%	%
Discount rate	9.00	8.20
Expected rate of salary increase	7.40	6.10
Expected rate of pension increase	3.00	3.00

39.9 Mortality was assumed to be 70% of the EFU(61-66) Table at valuations on both dates, June 30, 2018 and 2017.

39.10 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.

39.11 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.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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	Defined benefit obligation	
	1 percent increase	1 percent decrease
Discount rate	(120,156)	142,431
Salary increase	40,024	(35,969)
Pension increase	103,064	(90,166)

If life expectancy increases by 1 year, the obligation increases by Rs 44,995 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.

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

Plan Duration	Pension	Gratuity
Years		
June 30, 2018	11.2	5.3
June 30, 2017	11.5	4.7

39.13 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 2019	38,929	-
Benefit payments:		
FY 2019	83,182	75,142
FY 2020	86,377	51,120
FY 2021	95,283	94,254
FY 2022	97,489	26,373
FY 2023	101,165	31,930
FY 2024-28	531,593	145,567

40. INTEREST IN SUBSIDIARY

40.1 CAPGAS is only subsidiary of POL as at June 30, 2018. 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% (2017: 51%) interest in CAPGAS. There are no significant restrictions on Company's ability to use assets, or settle liabilities of CAPGAS.

40.2 Non-controlling interest

Following is the summarised financial information of CAPGAS that has 49% (2017: 49%) ownership interest held by non-controlling interests. The amounts disclosed are before inter-company eliminations:

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees ('000)	
Summarised financial position		
Current assets	137,255	160,073
Non-current assets	286,785	364,004
Current liabilities	34,460	137,520
Non-current liabilities	140,316	169,584
Net assets	249,264	216,973
Accumulated NCI	122,140	106,317
Summarised statement of comprehensive income		
Net revenue	791,968	619,374
Profit for the year	49,775	46,966
Other comprehensive income	(609)	(90)
Total comprehensive income for the year	49,166	46,876
Profit attributable to NCI	24,390	23,013
Total comprehensive income attributable to NCI	24,092	22,969
Dividend paid to NCI	8,269	16,868
Summarised statement of cash flows		
Cash flow from operating activities	(17,726)	36,739
Cash flow from investing activities	11,397	(84,431)
Cash flow from financing activities	(16,875)	(34,425)
Net decrease in cash and cash equivalent	(23,204)	(82,117)
41. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF POL - BASIC AND DILUTED		
Profit for the year attributable to owners of POL (in thousand rupees)	11,679,267	11,882,059
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)	49.37	50.23

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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42. TRANSACTIONS WITH RELATED PARTIES

42.1 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:

	Basis of Relationship	2018	2017
		Rupees ('000)	
Parent company - The Attock Oil Company Limited	Holding company		
Purchase of petroleum products		92,578	19,884
Purchase of services		35,980	32,766
Dividend paid		5,303,064	4,367,229
Associated companies	Common directorship		
Attock Refinery Limited			
Sale of crude oil and gas		15,025,298	9,103,202
Crude oil and gas transmission charges		4,049	4,776
Sale of services		5,968	3,362
Purchase of LPG		133,000	102,558
Purchase of fuel		9,241	9,879
Purchase of services		24,406	21,838
National Refinery Limited	25% share holding & common directorship		
Sale of crude oil		376,589	493,502
Purchase of LPG		336,630	291,824
Purchase of services		3,998	903
Dividend received		449,812	399,833
Attock Petroleum Limited	7.0175% share holding & common directorship		
Purchase of fuel and lubricants		725,289	523,701
Sale of solvent oil		211,096	152,891
Sale of services		18,109	13,240
Purchase of services		943	940
Dividend received		247,375	232,824
Attock Information Technology (Private) Limited	Common directorship		
Purchase of services		53,400	45,660
Attock Cement Pakistan Limited	Common directorship		
Purchase of services		-	8

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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	Basis of Relationship	2018	2017
Rupees ('000)			
Attock Hospital (Private) Limited Purchase of medical services	Common directorship	11,882	9,612
Other Associated Companies Dividend Paid		16,130	12,983
Other related parties			
Dividend paid to key management personnel		101,922	83,808
Contribution to staff retirement benefits plans			
Management Staff Pension Fund and Gratuity Fund		79,134	78,938
Approved Contributory Provident Funds		29,167	27,718
Contribution to Workers' Profit Participation Fund		769,550	662,074

42.2 Associated Companies incorporated outside Pakistan with whom the Company had entered into transaction or had agreements are as follows:

i)	Name of undertaking Registered Address Country of Incorporation	The Attock Oil Company Limited 4, SWAN STREET MANCHESTER ENGLAND M4 5JN United Kingdom
ii)	Basis of association	Parent Company
iii)	Aggregate %age of Shareholding	52.75%
iv)	Chief Executive Officer	Shuaib Anwer Malik
v)	Operational status	Private Limited Company
vi)	Auditor's opinion on latest available financial statements	Unqualified Opinion

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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43. CONTRIBUTORY PROVIDENT FUND

Details of the provident funds are as follows:

	2018		2017	
	Rupees ('000)			
Net assets	663,148		685,884	
Cost of investments made	593,939		606,679	
%age of investments made	90%		88%	
Fair value of investments made	609,652		636,661	

Breakup of investments - at cost	2018		2017	
	Rupees ('000)	%age	Rupees ('000)	%age
Term Finance Certificates	925	0.16	925	0.15
Mutual Funds	4,977	0.84	4,977	0.82
Government bonds	579,715	97.60	591,450	97.49
Cash and cash equivalents	8,322	1.40	9,327	1.54
	593,939	100.00	606,679	100.00

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for the purpose.

	2018	2017
	Rupees ('000)	
44. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,739,855	15,471,875
Adjustments for:		
Depreciation	1,571,961	1,593,152
Amortization of other intangible assets	65,820	36,178
Amortization of development and decommissioning costs	2,986,824	2,209,306
Finance costs	1,914,916	743,606
Exchange loss/(gain) on financial assets	(1,407,214)	65,353
Loss/(gain) on sale of assets	(4,979)	20,279
Share of profits of associated companies	(843,354)	(2,387,070)
Reversal of impairment on investment in associated company	(178,421)	(1,254,835)
Income on bank deposits	(762,692)	(448,852)
Income on held-to-maturity investments	(860)	(6,016)
Dividend on available-for-sale investments	-	(362)
Provision for staff compensated absences	(1,600)	(478)
Provision for un-funded gratuity plan - CAPGAS	(971)	890
Provision for slow moving stores and spares	59,684	54,987
Reversal of provision for decommissioning cost in excess of actual costs incurred	(76,008)	-
Measurement (loss)/gain on staff retirement benefit plans	(86,792)	(79,002)
Cash flows before working capital changes	17,976,169	16,019,011

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	2018	2017
	Rupees ('000)	
Effect on cash flows due to working capital changes:		
Decrease in stores and spares	266,021	283,254
(Increase)/decrease in stock in trade	(75,092)	135,027
(Increase)/decrease in trade debts	(4,949,666)	43,220
(Increase)/decrease in advances, deposits, prepayments and other receivables	(929,889)	160,619
Increase in trade and other payables	10,088,649	448,995
	4,400,023	1,071,115
Cash flows generated from operations	22,376,192	17,090,126
(Increase)/decrease in long term loans and advances	2,567	(4,787)
Increase in long term deposits	(36,480)	16,243
Taxes paid	(2,906,161)	(1,273,489)
Decommissioning cost paid	(119,985)	-
Net cash generated from operating activities	19,316,133	15,828,093

45. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX

Description	Explanation
i) Loans and advances	Non-interest bearing
ii) Deposits	Non-interest bearing
iii) Segment revenue	Disclosed in note 36

	2018	2017
	Rupees ('000)	
iv) Bank Balances		
Placed under interest arrangements	21,593,029	14,168,060
Placed under Shariah permissible arrangements	26,162	102,840
	21,619,191	14,270,900
v) Income on bank deposits		
Placed under interest arrangements	763,118	454,357
Placed under Shariah permissible arrangements	434	511
	763,552	454,868

vi) Gain/(loss) on available-for-sale investments	Disclosed in note 19.1.1
vii) Dividend income	Disclosed in note 33.1
viii) All sources of other income	Disclosed in note 33
ix) Exchange gain	Earned from actual currency
x) Relationship with banks having Islamic windows	Following is the list of banks with which the Company has a relationship with Islamic window of operations: 1. Al Baraka Bank (Pakistan) Limited 2. Meezan Bank Limited 3. Bank Islami Pakistan Limited

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46. GEOGRAPHICAL LOCATION AND ADDRESSES OF ALL OTHER BUSINESS UNITS INCLUDING INTEREST IN JOINT OPERATIONS

Geographical location and addresses of all other business units of the Company are as follows:

Exploration licenses/Leases	Location and address		Working interest	
			2018	2017
Operated by the Group				
Ikhlas Petroleum Concession (3372-18)	Attock	Punjab	80.00	80.00
Kirthar South Petroleum Concession (2567-7)	Dadu, Jamshoro, Lasbela, Thatta	Sindh and Balochistan	85.00	85.00
Khaur D&Production Lease (153/PAK/2002)	Attock	Punjab	100.00	100.00
Minwal D&Production Lease (123/PAK/98)	Chakwal	Punjab	82.50	82.50
Pariwali D&Production Lease (119/PAK/97)	Attock	Punjab	82.50	82.50
Pindori D&Production Lease (105/PAK/96)	Rawalpindi	Punjab	35.00	35.00
Turkwal D&Production Lease (133/PAK/99)	Chakwal and Rawalpindi	Punjab	67.37	67.37
D.G. Khan Petroleum Concession (2969-10)	Barkhan, DG Khan, Rajanpur	Punjab and Balochistan	70.00	70.00
Non-operated				
Operated by MOL Pakistan Oil and Gas				
Margala Petroleum Concession (Block 3372-20)	Rawalpindi, Islamabad, Haripur, Abbottabad	Punjab and Khyber Pakhtunkhwa (KPK)	30.00	30.00
Margala North Petroleum Concession (Block 3372-21)	Rawalpindi, Islamabad, Haripur, Abbottabad, Attock	Punjab and KPK	30.00	30.00

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Exploration licenses/Leases	Location and address		Working interest	
			2018	2017
	District(s)	Province(s)		
TAL Petroleum Concession (Block 3370-3)	Kohat, Karak, Bannu	KPK	*25.00	* 25.00
Maramzai Development and Production lease	Kohat, Hangu	KPK		
Manzalai D&Production lease (175/PAK/2007)	Karak	KPK		
Makori D&Production lease (184/PAK/2012)	Karak	KPK		
Makori East D&Production lease (205/PAK/2013)	Karak	KPK		
Mamikhel Development and Production lease	Kohat	KPK		
Operated by Oil and Gas Company Limited				
Chaknaurang Mining Lease (125/PAK/98)	Chakwal	Punjab	15.00	15.00
Gurgalot Petroleum Concession Block (3371-5)	Kohat, Attock	Punjab and KPK	20.00	20.00
Jhal Magsi Development and Production Lease (2867-4)	Jhalmagsi	Balochistan	24.00	24.00
Operated by Ocean Pakistan Limited				
Bhangali D&P Lease (65/PAK/90)	Rawalpindi	Punjab	7.00	7.00
Dhurnal Mining Lease (59/ PAKISTAN)	Attock	Punjab	5.00	5.00
Ratana D&P Lease (94/PAK/94)	Attock	Punjab	4.55	4.55
Operated by Pakistan Petroleum Limited				
Adhi Mining Lease (72/PAKISTAN)	Rawalpindi, Chakwal	Punjab	11.00	11.00
Hisal Petroleum Concession (3372-23)	Rawalpindi, Chakwal, Attock	Punjab	25.00	25.00

* Pre-commerciality interest

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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47. CORRESPONDING FIGURES

The preparation and presentation of the financial statements is in accordance with the requirements in Companies Act, 2017. The fourth schedule to the Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary to comply with the requirements of Companies Act, 2017. "Unclaimed Dividend" amounting to Rupees 139,722 thousand have been reclassified from "Trade and other payables" and shown separately on the face of the statement of the financial position to conform the current year's presentation.

48. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in its meeting held on August 15, 2018 has proposed a final dividend for the year ended June 30, 2018 @ Rs. 25 per share, amounting to Rs. 5,913,648 thousand and 20% bonus shares for approval of the members in the Annual General Meeting to be held on September 25, 2018.

49. GENERAL

49.1 Capacity and Production

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

Product	Unit	2018	2017
Crude Oil/Condensate	US Barrels	2,663,252	2,469,795
Gas	Million Cubic Feet	31,970	28,460
LPG	Metric Tonnes	62,065	58,352
Sulphur	Metric Tonnes	667	566
Solvent Oil	US Barrels	22,129	18,822

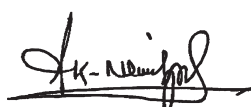
Considering the nature of the Company's business, information regarding installed capacity has no relevance.

49.2 Number of employees

	2018	2017
Total number of employees as at June 30	763	726
Total number of employees at fields as at June 30	578	547
Average number of employees during the year	749	747
Average number of employees at fields during the year	565	568

49.3 Date of authorization

These financial statements were authorized for issue by the Board of Directors of the Company on August 15, 2018.



Khalid Nafees
Chief Financial Officer



Shuaib A. Malik
Chief Executive



Abdus Sattar
Director

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2018

S.No.	From	To	Shares	Total No. of Shareholders
1	1	100	54,592	1074
2	101	500	356,156	1,183
3	501	1,000	523,702	635
4	1,001	5,000	2,878,947	1,148
5	5,001	10,000	2,449,292	331
6	10,001	15,000	1,377,336	110
7	15,001	20,000	1,087,652	62
8	20,001	25,000	1,430,338	63
9	25,001	30,000	1,205,966	43
10	30,001	35,000	1,093,502	33
11	35,001	40,000	916,339	24
12	40,001	45,000	598,943	14
13	45,001	50,000	967,611	20
14	50,001	55,000	688,627	13
15	55,001	60,000	577,231	10
16	60,001	65,000	379,500	6
17	65,001	70,000	272,000	4
18	70,001	75,000	509,250	7
19	75,001	80,000	471,200	6
20	80,001	85,000	410,100	5
21	85,001	90,000	174,380	2
22	90,001	95,000	462,150	5
23	95,001	100,000	1,086,886	11
24	100,001	105,000	818,860	8
25	105,001	110,000	323,750	3
26	110,001	115,000	113,000	1
27	115,001	120,000	467,900	4
28	120,001	125,000	122,400	1
29	125,001	130,000	257,000	2
30	130,001	135,000	263,700	2
31	135,001	140,000	417,700	3
32	140,001	145,000	572,500	4
33	145,001	150,000	444,700	3
34	150,001	155,000	454,915	3
35	155,001	160,000	314,650	2
36	160,001	165,000	326,000	2
37	165,001	170,000	169,432	1
38	170,001	175,000	171,250	1
39	175,001	180,000	534,645	3
40	180,001	185,000	549,200	3
41	185,001	190,000	565,196	3
42	195,001	200,000	593,156	3
43	200,001	205,000	407,600	2
44	205,001	210,000	412,892	2
45	210,001	215,000	428,912	2
46	215,001	220,000	432,650	2
47	220,001	225,000	448,400	2
48	225,001	230,000	227,500	1
49	235,001	240,000	235,600	1
50	240,001	245,000	241,350	1
51	245,001	250,000	741,500	3
52	250,001	255,000	503,750	2
53	260,001	265,000	264,384	1
54	270,001	275,000	544,550	2
55	275,001	280,000	1,105,300	4

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2018

S.No.	From	To	Shares	Total No. of Shareholders
56	280,001	285,000	284,300	1
57	285,001	290,000	285,250	1
58	295,001	300,000	297,778	1
59	305,001	310,000	616,100	2
60	315,001	320,000	315,500	1
61	320,001	325,000	323,550	1
62	325,001	330,000	326,000	1
63	330,001	335,000	664,600	2
64	340,001	345,000	689,200	2
65	345,001	350,000	350,000	1
66	355,001	360,000	1,434,100	4
67	360,001	365,000	361,407	1
68	375,001	380,000	378,126	1
69	395,001	400,000	398,425	1
70	405,001	410,000	1,226,950	3
71	430,001	435,000	432,256	1
72	440,001	445,000	1,764,000	4
73	450,001	455,000	454,000	1
74	460,001	465,000	462,026	1
75	465,001	470,000	469,660	1
76	490,001	495,000	988,111	2
77	495,001	500,000	500,000	1
78	500,001	505,000	502,250	1
79	505,001	510,000	510,000	1
80	520,001	525,000	521,000	1
81	525,001	530,000	528,150	1
82	555,001	560,000	559,300	1
83	615,001	620,000	619,182	1
84	630,001	635,000	1,265,801	2
85	635,001	640,000	639,472	1
86	640,001	645,000	644,250	1
87	675,001	680,000	675,830	1
88	745,001	750,000	1,500,000	2
89	825,001	830,000	829,000	1
90	835,001	840,000	839,150	1
91	850,001	855,000	854,080	1
92	920,001	925,000	921,000	1
93	940,001	945,000	940,400	1
94	1,005,001	1,010,000	1,009,600	1
95	1,315,001	1,320,000	1,317,507	1
96	1,500,001	1,505,000	1,503,700	1
97	1,505,001	1,510,000	1,509,450	1
98	1,850,001	1,855,000	1,850,750	1
99	1,915,001	1,920,000	1,918,900	1
100	2,365,001	2,370,000	4,732,963	2
101	2,895,001	2,900,000	2,899,360	1
102	3,035,001	3,040,000	3,036,197	1
103	3,630,001	3,635,000	3,634,400	1
104	4,110,001	4,115,000	4,112,500	1
105	4,395,001	4,400,000	4,400,000	1
106	7,605,001	7,610,000	7,606,350	1
107	13,420,001	13,425,000	13,421,032	1
108	124775001	124780000	124,776,965	1
		Total	236,545,920	4,954

CATEGORIES OF SHAREHOLDERS

AS AT JUNE 30, 2018

Categories of Shareholders	No. of Shareholders	No. of Shares held	Percentage %
Investment Corporation of Pakistan	1	97	-
Banks & Financial Institutions	86	16,325,926	6.9018
Associated Companies	2	125,041,349	52.8613
Public Sectors Companies	104	2,693,445	1.1387
Modaraba Companies	2	460	0.0002
Mutual Funds *	105	21,676,709	9.1638
Investment Companies	28	5,096,671	2.1546
Insurance Companies	22	21,229,340	8.9747
Individuals	4,418	37,643,858	15.9140
Others:			
Employees Old Age Benefits Institution	1	2,899,360	1.2257
Deputy Administrator Abandoned Properties	1	10,900	0.0046
Employees Pension / Provident Fund	139	2,054,340	0.8685
Charitable Trusts & Foundation	45	1,873,465	0.7920
TOTAL	4,954	236,545,920	100.00

DETAIL OF MUTUAL FUNDS

S.No.	Detail of Mutual Funds *	No. of Shares Held
1	KAPITALFORENINGEN LAERERNES PENSION INVEST [1547-5]	25,000
2	BMA FUNDS LIMITED [PK1555-0]	39,500
3	VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	1,503,700
4	VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND	271,650
5	GLOBAL X FUNDS-GLOBAL X MSCI PAKISTAN ETF	128,120
6	EBK-AKTIEN-UNIVERSAL-FONDS	23,650
7	PUB INSTITUTIONAL FUND UMBRELLA - PUB EQUITIES EMG MKTS 1	39,800
8	PUB INSTITUTIONAL FUND UMBRELLA - PUB EQUITIES EMG MKTS 2	32,450
9	AQR EMERGING SMALL CAP EQUITY FUND L.P.	8,600
10	FLEXSHARES MORNINGSTAR EMERGING MARKETS FACTOR TILT INDEX FD	5,200
11	VANGUARD EMERGING MARKETS STOCK INDEX FUND	1,918,900
12	EMERGING MKTS SML CAPITALIZATION EQTY INDEX NON-LENDABLE FD	246,300
13	EMERGING MKTS SML CAPITALIZATION EQTY INDX NON-LENDABLE FD B	38,460
14	CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	940,400
15	MCBFSL - TRUSTEE JS VALUE FUND	24,000
16	CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	46,850
17	CDC - TRUSTEE PICIC INVESTMENT FUND	214,300
18	CDC - TRUSTEE JS LARGE CAP. FUND	23,000
19	CDC - TRUSTEE PICIC GROWTH FUND	409,050
20	CDC - TRUSTEE ALHAMRA ISLAMIC STOCK FUND	355,750
21	CDC - TRUSTEE ATLAS STOCK MARKET FUND	350,000
22	CDC - TRUSTEE MEEZAN BALANCED FUND	398,425
23	CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND	4,600
24	CDC - TRUSTEE JS ISLAMIC FUND	23,800
25	CDC - TRUSTEE FAYSAL STOCK FUND	21,000
26	CDC - TRUSTEE ALFALAH GHP VALUE FUND	132,400
27	CDC - TRUSTEE UNIT TRUST OF PAKISTAN	35,000
28	CDC - TRUSTEE AKD INDEX TRACKER FUND	23,979
29	CDC - TRUSTEE HBL ENERGY FUND	178,245
30	CDC-TRUSTEE ALHAMRA ISLAMIC ASSET ALLOCATION FUND	308,800
31	CDC - TRUSTEE AL MEEZAN MUTUAL FUND	632,191
32	CDC - TRUSTEE MEEZAN ISLAMIC FUND	3,036,197
33	CDC - TRUSTEE FAYSAL ASSET ALLOCATION FUND	9,000
34	CDC - TRUSTEE UBL STOCK ADVANTAGE FUND	323,550
35	CDC - TRUSTEE ATLAS ISLAMIC STOCK FUND	164,000
36	CDC - TRUSTEE AL-AMEEN SHARIAH STOCK FUND	408,200
37	CDC - TRUSTEE NAFA STOCK FUND	854,080
38	CDC - TRUSTEE NAFA MULTI ASSET FUND	32,369
39	CDC - TRUSTEE MCB DCF INCOME FUND	2,000
40	CDC - TRUSTEE MEEZAN TAHAFUZZ PENSION FUND - EQUITY SUB FUND	493,350
41	CDC - TRUSTEE DAWOOD ISLAMIC FUND	6,750
42	CDC - TRUSTEE APF-EQUITY SUB FUND	29,000
43	CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT	7,000
44	CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	494,761
45	CDC - TRUSTEE HBL - STOCK FUND	454,000
46	CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	633,610
47	CDC - TRUSTEE APIF - EQUITY SUB FUND	40,000
48	MC FSL - TRUSTEE JS GROWTH FUND	32,000
49	CDC - TRUSTEE HBL MULTI - ASSET FUND	16,350
50	CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	139,400
51	CDC - TRUSTEE JS ISLAMIC PENSION SAVINGS FUND-EQUITY ACCOUNT	5,896
52	CDC - TRUSTEE ALFALAH GHP STOCK FUND	171,250

DETAIL OF MUTUAL FUNDS

S.No.	Detail of Mutual Funds *	No. of Shares Held
53	CDC - TRUSTEE ALFALAH GHP ALPHA FUND	142,700
54	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	469,660
55	CDC - TRUSTEE ABL STOCK FUND	334,350
56	M C F S L-TRUSTEE ASKARI ISLAMIC ASSET ALLOCATION FUND	4,500
57	CDC - TRUSTEE FIRST HABIB STOCK FUND	9,000
58	CDC - TRUSTEE LAKSON EQUITY FUND	115,650
59	CDC-TRUSTEE NAFA ASSET ALLOCATION FUND	69,250
60	CDC-TRUSTEE NAFA SAVINGS PLUS FUND - MT	8,600
61	CDC-TRUSTEE HBL ISLAMIC STOCK FUND	183,100
62	CDC - TRUSTEE HBL EQUITY FUND	22,200
63	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	11,300
64	CDC - TRUSTEE HBL PF EQUITY SUB FUND	14,550
65	CDC - TRUSTEE ASKARI EQUITY FUND	4,500
66	CDC - TRUSTEE KSE MEEZAN INDEX FUND	195,367
67	MCBFSL - TRUSTEE PAK OMAN ADVANTAGE ASSET ALLOCATION FUND	2,500
68	MCBFSL - TRUSTEE PAK OMAN ISLAMIC ASSET ALLOCATION FUND	7,500
69	CDC-TRUSTEE FIRST HABIB ISLAMIC STOCK FUND	7,750
70	CDC - TRUSTEE ATLAS INCOME FUND - MT	1,500
71	MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	189,300
72	CDC - TRUSTEE UBL ASSET ALLOCATION FUND	92,550
73	CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	3,000
74	CDC - TRUSTEE AL-AMEEN ISLAMIC ASSET ALLOCATION FUND	204,100
75	CDC-TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	84,100
76	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	69,650
77	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	639,472
78	CDC - TRUSTEE HBL ISLAMIC EQUITY FUND	109,300
79	CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II	2,000
80	CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	5,150
81	CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	4,300
82	CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	528,150
83	CDC - TRUSTEE NAFA INCOME OPPORTUNITY FUND - MT	31,700
84	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	253,350
85	CDC-TRUSTEE NITIPF EQUITY SUB-FUND	5,000
86	CDC-TRUSTEE NITPF EQUITY SUB-FUND	2,000
87	CDC - TRUSTEE FAYSAL ISLAMIC ASSET ALLOCATION FUND	32,000
88	CDC - TRUSTEE AL AMEEN ISLAMIC DEDICATED EQUITY FUND	644,250
89	CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	152,850
90	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	80,200
91	CDC - TRUSTEE MEEZAN ASSET ALLOCATION FUND	81,000
92	CDC - TRUSTEE NAFA ISLAMIC ENERGY FUND	207,700
93	CDC - TRUSTEE LAKSON TACTICAL FUND	24,759
94	CDC - TRUSTEE LAKSON ISLAMIC TACTICAL FUND	4,479
95	CDC - TRUSTEE MEEZAN ENERGY FUND	223,400
96	CDC - TRUSTEE PAKISTAN INCOME FUND - MT	1,000
97	MCBFSL TRUSTEE ABL ISLAMIC DEDICATED STOCK FUND	159,150
98	CDC - TRUSTEE ALFALAH GHP ISLAMIC DEDICATED EQUITY FUND	197,789
99	CDC TRUSTEE - MEEZAN DEDICATED EQUITY FUND	142,800
100	CDC - TRUSTEE ALFALAH GHP ISLAMIC VALUE FUND	27,100
101	CDC - TRUSTEE FIRST HABIB ASSET ALLOCATION FUND	9,000
102	MCBFSL - TRUSTEE ALLIED CAPITAL PROTECTED FUND	2,600
103	MCBFSL - TRUSTEE AKD ISLAMIC STOCK FUND	10,000
104	CDC - TRUSTEE JS ISLAMIC DEDICATED EQUITY FUND (JSIDEF)	70,300
105	CDC - TRUSTEE ALFALAH CAPITAL PRESERVATION FUND II	23,350
	TOTAL	21,676,709

KEY SHAREHOLDING AND SHARES TRADED

S.No.	Categories	Number of Shareholders	Number of Shares held
Associated Companies, undertakings and related parties			
1	The Attock Oil Company Limited.	01	124,776,965
2	Laith Trading & Contracting Company Ltd.	01	264,384
3	Trustees of ARL General Staff Provident Fund	01	20,000
4	Trustees of ARL Staff Provident Fund	01	30,000
5	Trustees of ARL Management Staff Pension Fund	01	40,400
6	Trustees of NRL Officers Provident Fund	01	6,300
7	Trustee National Refinery Ltd. Management Staff Pension Fund	01	18,446
NIT & ICP			
	Investment Corporation of Pakistan (ICP)	01	97
Directors and their spouses and minor children			
1	Mr. Laith G. Pharaon	01	*200
2	Mr. Wael G. Pharaon	01	*200
3	Mr. Abdus Sattar	01	*200
4	Mr. Tariq Iqbal Khan	01	*1700
5	Mr. Sajid Nawaz	01	*200
6	Mr. Nihal Cassim	01	20,000
7	Mr. Shuaib A. Malik (Chairman & Chief Executive)	01	2,365,743
8	Mrs. Azra Tariq (Spouse of Mr. Tariq Iqbal Khan)	01	500
	Executives	32	9,487
	Public sector companies and corporations	105	127,470,410
	Banks, Development Finance Institution, Non Banking Finance Institutions, Insurance Companies, Modarabas & Mutual Funds	243	64,329,106
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:			
	Syed Altaf Ahmed (Deputy Manager Finance)		2,700
	Mr. Asad Ali Khan		100
* 200 shares shown against the name of each director are held in trust			
** also shown under associated companies and public sector companies			
*** also shown under insurance companies			

NOTICE OF ANNUAL GENERAL MEETING

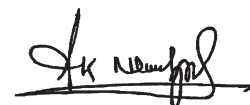
Notice is hereby given that the 67th Sixty Seventh Annual General Meeting (being the 87th EIGHTY SEVENTH General Meeting) of the Company will be held on Tuesday, September 25, 2018 at 11:00 hours at Attock House, Morgah, Rawalpindi, to transact the following business:

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, 2018.
 - ii. To approve final cash dividend of Rs. 25 per share i.e. 250% as recommended by the Board of Directors. It is in addition to the interim cash dividend of Rs. 17.50 per share i.e. 175% already paid to the shareholders, thus making a total cash dividend of Rs. 42.50 per share i.e. 425% for the year ended June 30, 2018.
 - iii. To appoint auditors for the year ending June 30, 2019 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.
- c) That the members entitled to fractions of a share shall be given sale proceeds of their fractional entitlement for which purpose the fractions shall be consolidated into whole shares and sold in the stock market.
 - d) That the Secretary of the Company be authorized and empowered to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required for the issue, allotment and distribution of the Bonus Shares. In case of non-resident shareholders, the Secretary is further authorized to issue/export the Bonus Shares after fulfilling statutory requirements."

FOR AND ON BEHALF OF THE BOARD

**Registered Office:
POL House,
Morgah, Rawalpindi.
September 4, 2018.**



**Khalid Nafees
Company Secretary**

SPECIAL BUSINESS

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

- a) "Resolved that a sum of Rs 473,091,840/- out of the free reserves of the Company for the year ended June 30, 2018 be capitalized and applied for the issue of 47,309,184 ordinary shares of Rs 10 each allotted as fully paid Bonus Shares to the members of the Company whose names appear on the register of members as at close of business on September 18, 2018, in the proportion of one (1) new share for every five (5) shares held.
- b) That the Bonus Shares so allotted shall rank pari passu in all respects with the existing shares except that they shall not qualify for cash dividend declared for the year ended June 30, 2018.

NOTICE OF ANNUAL GENERAL MEETING

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 19, 2018 to September 25, 2018 (both days inclusive). Transfers received in order at the Registered Office of the Company by the close of business on September 18, 2018 will be treated in time for the purpose of payment of the final cash dividend and issue of bonus shares, if approved by the shareholders.

2. PARTICIPATION IN THE ANNUAL GENERAL MEETING:

A member entitled to attend and vote at this meeting is also entitled to appoint another proxy to attend and vote on his/her behalf. 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 not 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 not 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, 2018:

Pursuant to the provisions of Finance Act, 2018, effective July 01, 2018, 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:

a.	Rate of tax deduction for filer of income tax returns	15.00%
b.	Rate of tax deduction for non filer of income tax returns	20.00%

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 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

NOTICE OF ANNUAL GENERAL MEETING

the relevant member stock exchange or to CDC if maintaining CDC investor account. If no notification is received, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/ CDS ID/ A/C #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and CNIC No.	Shareholding proportion (No. of Shares)	Name and CNIC No.	Shareholding proportion (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. EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduce rate are requested to submit a valid tax certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

6. PAYMENT OF DIVIDEND THROUGH BANK ACCOUNT OF THE SHAREHOLDER:

Pursuant to the requirement of Section 242 of the Companies Act, 2017, shareholders are MANDATORILY required to provide their International Bank Account Number (IBAN) detail to receive their cash dividend directly in to their bank accounts instead of receiving it through dividend warrants. In this regard and in pursuance of the directives of the SECP vide Circular No. 18 of 2017 dated August 01, 2017, shareholders are requested to submit their written request (if not already provided) to the Company's registered address, giving particulars of their bank account detail. In the absence of a member's valid bank account detail by October 05, 2018, the Company will be constrained to withhold

dividend payment to such members. CDC account holders are requested to submit their mandate instruction to the relevant member stock exchange or to CDC if maintaining CDC investor account.

7. SUBMISSION OF COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) FOR PAYMENT OF FINAL CASH DIVIDEND 2017-18:

Pursuant to the directives of the Securities and Exchange Commission of Pakistan (SECP), CNIC number of shareholders are MANDATORILY required for payment of dividend. Shareholders are therefore, requested to submit a copy of their valid CNIC (if not already provided) to the Company on its registered address, Pakistan Oilfields Limited, POL House, Morgah, Rawalpindi. In the absence of a member's valid CNIC, the Company will be constrained to withhold payment of cash dividend to such members.

CDC account holders are requested to submit attested copy of their CNIC to the relevant member stock exchange or to CDC if maintaining CDC investor account.

NOTICE OF ANNUAL GENERAL MEETING

8. CIRCULATION OF ANNUAL AUDITED FINANCIAL STATEMENTS TO SHAREHOLDERS THROUGH EMAIL/CD/USB/DVD OR ANY OTHER MEDIA:

Pursuant to the directions given by the SECP through its SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 that have allowed the Companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet, Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's and Director's Report) to its members through Email/CD/DVD/USB/ or any other Electronic Media at their registered Addresses.

Shareholder who wish to receive the hard copy of Financial Statements shall have to fill the standard request form (available on the Company's website www.pakoil.com.pk) and send it to the Company address.

CDC account holders are requested to provide their email addresses to the relevant member stock exchange or to CDC if maintaining CDC investor account.

9. STATEMENT OF UNCLAIMED OR UNPAID AMOUNTS UNDER SECTION 244 OF THE COMPANIES ACT, 2017:

The Securities and Exchange Commission of Pakistan, pursuant to section 244 read with section 510 of the Companies Act 2017 (the "Act"), directs all Companies to submit a statement to the Commission through eServices portal (<https://eservices.secp.gov.pk/eServices/>) stating therein the number or amounts, as the case may be, which remain unclaimed or unpaid for a period of three years from the date it is due and payable in respect of shares of a company/dividend and any other instrument or amount which remain unclaimed or unpaid, as may be specified.

Through this notice, the shareholders are intimated to contact with the Company for any unclaimed dividend/shares within a period of seven days after publishing this notice to meet the compliance of SECP Direction # 16 of 2017 dated July 7, 2017. List of Shareholders having unclaimed dividend/shares are available on the Company's website www.pakoil.com.pk.

The shareholders are requested to contact the Company on its registered address regarding any unclaimed dividends or undelivered shares (if any).

10. CHANGE IN ADDRESS:

The members are requested to promptly notify any change in their addresses.

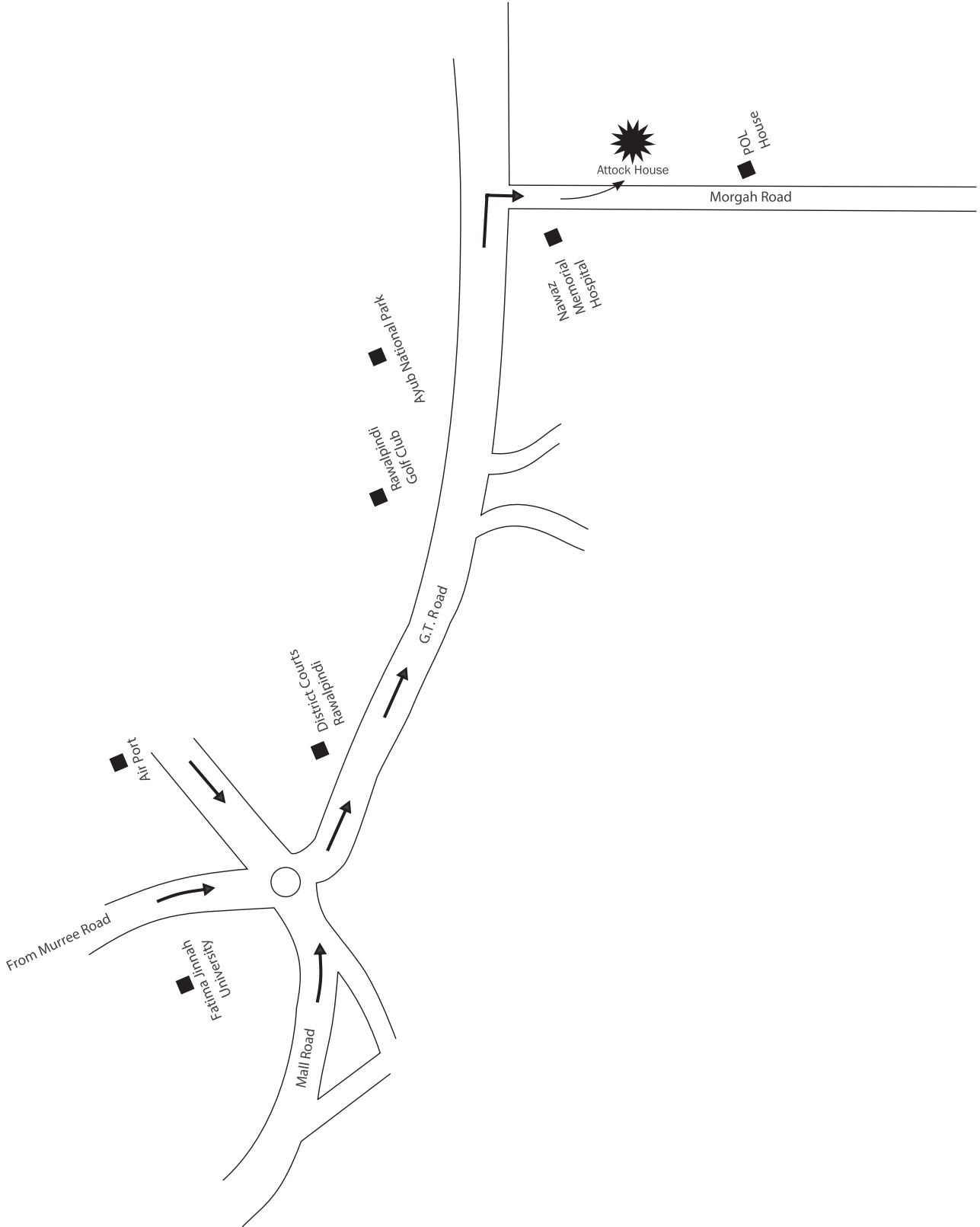
11. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The audited financial statements of the Company for the year ended June 30, 2018 have been made available on the Company's website www.pakoil.com.pk, at least 21 days before the date of Annual General Meeting.

12. STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017: ISSUE OF BONUS SHARES

The directors are of the view that with the existing profitability, the Company's financial position justifies capitalization of Rs. 473,091,840/- out of the free reserve as at June 30, 2018, by issuing fully paid bonus shares in the portion of 1 share for every 5 shares held. The directors of the company, directly or indirectly, are not personally interested in this issue, except to the extent of their shareholding in the company.

LOCATION MAP FOR ANNUAL GENERAL MEETING



| 240
| 241
|

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.
Commercial Risk	Potential losses arising from the trading partners or the market.
Contractual Risk	Probability of loss arising from failure in contract performance.
Chorgali/Sakesar Formation	Geological Formation
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 & Geophysical
Hydrocarbon	An organic compound of hydrogen and carbon (i.e., oil, gas, and NGL).
ISO	International Organisation for Standardisation
JVP	Joint Venture Partner
Langrial Formation	Geological Formation
LPG	Liquefied petroleum gas.
NTS	National Testing Service
OHSAS	Occupational Health & Safety Advisory Services
Operational Risk	Risks resulting from breakdowns in internal procedures, people and systems
PSI	Pounds per square inch
PBTE	Punjab Board of Technical Education
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.
Seismic interpretation	To interpret the extent and geometry of rocks in the subsurface from 2D or 3D seismic data
Spud	Commencement of actual drilling operations.
SSGCL	Sui Southern Gas Company Limited
Tobra / Khewra Formations	Geological Formation
TEVTA	Technical Education of Vocational Training Authority
VTC	Vocational Training Center
VFD	Variable Frequency Density
MGC	Meyal Gas Complex
Plug and abandon	Act of sealing off a well, and often abbreviated as P&A. Cement plugs are inserted in the hole, and the property is abandoned.



The Secretary,
PAKISTAN OILFIELDS LIMITED
POL House, Morgah, Rawalpindi.
Tel: (051) 5487589-97, Fax: (051) 5487598-99

پراکسی فارم

۶۷ واں سالانہ اجلاس عام

میں / ہم..... پاکستان آئل فیلڈز کے ممبر کی حیثیت سے کمپنی کے..... عمومی شیئر (ز) کنندہ رجسٹرڈ فولیو نمبر..... اور ممبر کی صورت میں جنہوں نے اپنے شیئر سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (سی ڈی سی) جمع کرائے ہیں وہ مندرجہ ذیل کوائف درج کریں گے۔

سی ڈی سی پارٹیسپنٹ آئی ڈی نمبر..... سب اکاؤنٹ نمبر.....
کمپیوٹرائزڈ شناختی کارڈ نمبر..... اور پاسپورٹ نمبر.....
میں جناب..... فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہے).....
یا ان کے بجائے، جناب..... فولیو نمبر / سی ڈی سی اکاؤنٹ نمبر (اگر ممبر ہے).....

..... بذریعہ ہذا کو اپنا / ہمارا پراکسی مقرر کرتا ہوں تاکہ میری غیر موجودگی میں کمپنی کے ۶۷ ویں سالانہ اجلاس عام میں جو ۲۵ (تیس) ستمبر ۲۰۱۸ء بروز منگل گیارہ بجے منعقد ہو رہا ہے یا اُس کے التوائی اجلاس میں میری / ہماری طرف سے شرکت کر سکے یا ووٹ دے سکے۔

۵ روپے کارسیدی ٹکٹ

یہاں چسپاں کریں

دستخط رکن

آج بروز..... تاریخ..... ۲۰۱۸

2- گواہ

1- گواہ

..... دستخط.....

..... دستخط.....

..... نام.....

..... نام.....

..... پتہ.....

..... پتہ.....

..... کمپیوٹرائزڈ قومی شناختی کارڈ نمبر.....

..... کمپیوٹرائزڈ قومی شناختی کارڈ نمبر.....

..... اور پاسپورٹ نمبر.....

..... اور پاسپورٹ نمبر.....

نوٹس

۱- مکمل اور دستخط شدہ فارم اجلاس سے کم از کم اڑتالیس کھنٹے قبل کمپنی کے رجسٹرڈ آفس پی او ایل ہاؤس مورگاہ راولپنڈی میں موصول ہونے والا پراکسی فارم موثر سمجھا جائے گا۔

۲- حصہ داران اور ان کے پراکسی ہر دونوں کے شناختی کارڈ کی مصدقہ نقول متعلقہ پراکسی فارم کے ساتھ کمپنی آفس میں جمع کرائیں۔

دی سیکرٹری
پاکستان آئسٹیل فیولڈ لمیٹڈ
پی۔ او۔ ایل ہاؤس، مورگاہ، راولپنڈی
فون: (051) 5487589-97
فیکس: (051) 5487598-99

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



The Secretary,
PAKISTAN OILFIELDS LIMITED
POL House, Morgah, Rawalpindi.
Tel: (051) 5487589-97, Fax: (051) 5487598-99

JOINT ACCOUNT HOLDER FORM

Date: _____

Company Secretary,
Pakistan Oilfields Limited
POL House, Morgah,
Rawalpindi.

Dear Sir,

In terms of FBR clarifications vide letter # 1(54) Exp/2014-132872-2 dated September 24, 2014 in regard to deduction of withholding tax on dividend warrant in case of joint account holder.

Mentioned below is the detail of shareholding in the Company's shares

Folio No. _____

Name of Principal Shareholder/ Joint Shareholders	Shareholding %	CNIC No. (Copy attached)	Signatures

Regards,

Shareholder Name

Signature: _____

















The Secretary,
PAKISTAN OILFIELDS LIMITED
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to Corruption**



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