

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**CONDENSED INTERIM BALANCE SHEET [UNAUDITED]**  
**AS AT 30 SEPTEMBER 2014**

	Unaudited 30 September 2014	Audited 30 June 2014
<b>SHARE CAPITAL AND RESERVES</b>		
Share capital	43,009,284	43,009,284
Capital reserves	6,818,500	6,606,000
Unappropriated profit	<u>373,631,778</u>	<u>346,055,921</u>
	423,459,562	395,671,205
<b>NON CURRENT LIABILITIES</b>		
Deferred taxation	21,659,531	22,270,517
Deferred employee benefits	10,289,702	9,827,561
Provision for decommissioning cost	21,148,405	20,417,830
	53,097,638	52,515,908
<b>CURRENT LIABILITIES</b>		
Trade and other payables	40,411,374	48,045,567
	<u>516,968,574</u>	<u>496,232,680</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	5	

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive

	Unaudited 30 September 2014	Audited 30 June 2014
<b>NON CURRENT ASSETS</b>		
Fixed assets		
Property, plant and equipment	77,560,531	71,803,994
Development and production assets - intangibles	75,314,149	74,329,473
Exploration and evaluation assets	8,671,153	9,637,788
	161,545,833	155,771,255
Long term investments	140,281,761	140,393,508
Long term loans and receivable	4,988,459	5,170,798
Long term prepayments	752,123	736,992
	307,568,176	302,072,553
<b>CURRENT ASSETS</b>		
Stores, spare parts and loose tools	20,134,077	18,502,922
Stock in trade	446,095	420,626
Trade debts	97,951,864	100,510,995
Loans and advances	8,342,363	7,909,281
Deposits and short term prepayments	1,388,952	1,336,238
Interest accrued	11,196,234	10,110,450
Other receivables	201,536	661,017
Income tax - advance	17,635,807	14,319,141
Other financial assets	44,963,275	37,537,297
Cash and bank balances	7,140,195	2,852,160
	209,400,398	194,160,127
	<u>516,968,574</u>	<u>496,232,680</u>

Director

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

		<b>Unaudited</b>	<b>Unreviewed &amp; Unaudited</b>
		<b>Quarter ended 30 September</b>	
	<b>Note</b>	<b>2014</b>	<b>2013</b>
		----- <b>(Rupees '000)</b> -----	
Sales - net	14	64,395,972	62,416,425
Royalty		(7,415,784)	(7,124,699)
Operating expenses		(13,213,233)	(10,307,916)
Transportation charges		(614,943)	(615,624)
		<u>(21,243,960)</u>	<u>(18,048,239)</u>
<b>Gross profit</b>		43,152,012	44,368,186
Other income	15	6,280,359	7,425,042
Exploration and prospecting expenditure		(3,751,599)	(1,954,572)
General and administration expenses		(1,331,781)	(753,368)
Finance cost		(611,512)	(631,727)
Workers' profit participation fund		(2,188,414)	(2,423,766)
Share of profit in associate - net of taxation		<u>30,809</u>	<u>21,758</u>
<b>Profit before taxation</b>		41,579,874	46,051,553
Taxation	16	<u>(13,269,800)</u>	<u>(12,463,058)</u>
<b>Profit for the quarter</b>		<u><u>28,310,074</u></u>	<u><u>33,588,495</u></u>
<b>Earnings per share - basic and diluted (Rupees)</b>	17	<u><u>6.58</u></u>	<u><u>7.81</u></u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

**Chief Executive**

**Director**

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	<b>Unaudited</b>	<b>Unreviewed &amp; Unaudited</b>
	<b>Quarter ended 30 September</b>	
	<b>2014</b>	<b>2013</b>
	----- <b>(Rupees '000)</b> -----	
<b>Profit for the quarter</b>	28,310,074	33,588,495
Other comprehensive income/(loss) for the quarter		
Items that will not be reclassified to profit or loss		
Remeasurement loss on employee retirement benefit plans	(1,059,171)	-
Current tax credit related to remeasurement loss on employee retirement benefit plans	537,454	-
	(521,717)	-
<b>Total comprehensive income for the quarter</b>	<b>27,788,357</b>	<b>33,588,495</b>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

**Chief Executive**

**Director**

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	Unaudited Quarter ended 30 2014	Unreviewed & Unaudited Quarter ended 30 September 2013
	------(Rupees '000)-----	
<b>Cash flows from operating activities</b>		
Profit before taxation	41,579,874	46,051,553
Adjustments for:		
Depreciation	1,179,960	1,040,135
Amortization of development and production assets	4,771,858	3,021,094
Royalty	7,415,784	7,124,699
Workers' profit participation fund	2,188,414	2,423,766
Provision for employee benefits	954,565	2,598,770
Un-winding of discount on provision for decommissioning cost	609,045	627,943
Interest income	(4,529,190)	(4,420,365)
Un-realized loss on investments at fair value through profit or loss	9,489	8,627
Dividend income	(18,615)	(17,026)
Gain on disposal of property, plant and equipment	(573)	(832)
Share of profit in associate	(30,809)	(21,758)
Stores inventory written off	-	716
	54,129,802	58,437,322
<b>Working capital changes</b>		
(Increase)/decrease in current assets:		
Stores, spare parts and loose tools	(1,631,155)	(366,940)
Stock in trade	(25,469)	28,977
Trade debts	2,559,131	(10,866,818)
Deposits and short term prepayments	(52,714)	13,573
Advances and other receivables	(138,037)	(3,089,849)
Increase/ (decrease) in current liabilities:		
Trade and other payables	2,368,883	(1,018,254)
<b>Cash generated from operations</b>	57,210,441	43,138,011
Royalty paid	(6,333,284)	(6,325,937)
Employee benefits paid	(6,268,116)	(4,365,323)
Long term prepayments	(15,131)	(120,431)
Received from workers' profit participation fund	346,775	525,459
Income taxes paid	(16,659,998)	(9,773,669)
	(28,929,754)	(20,059,901)
Net cash from operating activities	28,280,687	23,078,110
<b>Cash flows from investing activities</b>		
Capital expenditure	(11,214,374)	(12,245,943)
Interest received	3,567,587	3,602,308
Dividends received	36,990	35,401
Purchase of investments	-	(88,319)
Proceeds from disposal of property, plant and equipment	3,730	5,762
Net cash used in investing activities	(7,606,067)	(8,690,791)
<b>Cash flows from financing activities</b>		
Dividends paid	(8,951,117)	(1,383,573)
Net cash used in financing activities	(8,951,117)	(1,383,573)
<b>Net increase in cash and cash equivalents</b>	11,723,503	13,003,746
<b>Cash and cash equivalents at beginning of the quarter</b>	40,113,906	42,414,472
<b>Cash and cash equivalents at end of the quarter</b>	51,837,409	55,418,218

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive

Director

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	Share capital	Capital reserves		Unappropriated profit	Total equity
		Capital reserve	Self insurance		
----- <b>(Rupees '000)</b> -----					
<b>Balance at 01 July 2013 - previously reported</b>	43,009,284	836,000	4,920,000	274,893,417	323,658,701
Change in accounting policy for remeasurement of employee retirement benefit plans	-	-	-	(11,392,680)	(11,392,680)
<b>Balance at 01 July 2013 - restated</b>	43,009,284	836,000	4,920,000	263,500,737	312,266,021
Transfer to self insurance reserve	-	-	213,339	(213,339)	-
Charged to self insurance reserve	-	-	(839)	839	-
<b>Total comprehensive income for the quarter</b>					
Profit for the quarter	-	-	-	33,588,495	33,588,495
Other comprehensive loss for the quarter	-	-	-	-	-
Total comprehensive income for the quarter	-	-	-	33,588,495	33,588,495
<b>Transactions with owners, recorded directly in equity</b>					
Final dividend 2013: Rs 2.75 per share	-	-	-	(11,827,553)	(11,827,553)
Total distributions to owners	-	-	-	(11,827,553)	(11,827,553)
<b>Balance at 30 September 2013 - restated</b>	<u>43,009,284</u>	<u>836,000</u>	<u>5,132,500</u>	<u>285,049,179</u>	<u>334,026,963</u>
<b>Balance at 01 July 2014</b>	43,009,284	836,000	5,770,000	346,055,921	395,671,205
Transfer to self insurance reserve	-	-	213,059	(213,059)	-
Charged to self insurance reserve	-	-	(559)	559	-
<b>Total comprehensive income for the quarter</b>					
Profit for the quarter	-	-	-	28,310,074	28,310,074
Other comprehensive loss for the quarter	-	-	-	(521,717)	(521,717)
Total comprehensive income for the quarter	-	-	-	27,788,357	27,788,357
<b>Transactions with owners, recorded directly in equity</b>					
Total distributions to owners	-	-	-	-	-
<b>Balance at 30 September 2014</b>	<u>43,009,284</u>	<u>836,000</u>	<u>5,982,500</u>	<u>373,631,778</u>	<u>423,459,562</u>

The annexed notes 1 to 22 form an integral part of this condensed interim financial information.

Chief Executive

Director

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

**1 LEGAL STATUS AND OPERATIONS**

Oil and Gas Development Company Limited (OGDCL), "the Company", was incorporated on 23 October 1997 under the Companies Ordinance, 1984. The Company was established to undertake exploration and development of oil and gas resources, including production and sale of oil and gas and related activities formerly carried on by Oil and Gas Development Corporation, which was established in 1961. The registered office of the Company is located at OGDCL House, Plot No. 3, F-6/G-6, Blue Area, Islamabad, Pakistan. The Company is listed on all the three stock exchanges of Pakistan and its Global Depository Shares (IGDS = 10 ordinary shares of the Company) are listed on the London Stock Exchange.

Government of Pakistan (GoP) through the Privatization Commission, intends to further divest upto 10% of its equity holding in the Company through issuance of shares and Global Depository Shares (GDSs). The GDSs will be listed on the London Stock Exchange.

**2 BASIS OF PREPARATION**

This condensed interim financial information of the Company for the quarter ended 30 September 2014 has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The disclosures in this condensed interim financial information, do not include that reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended 30 June 2014. Comparative condensed interim balance sheet is extracted from the audited annual financial statements as of 30 June 2014, whereas comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from unaudited and unreviewed condensed interim financial information for the quarter ended 30 September 2013.

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

**3 ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS**

The accounting policies, significant judgements made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of this condensed interim financial information and financial risk management policy are the same as those applied in preparation of annual audited financial statements for the year ended 30 June 2014.

As disclosed in detail in note 3.1.2 to the financial statements for the year ended 30 June 2014, during 2014, the Company changed its accounting policy for defined benefit plans.

The effect of change in accounting policy for remeasurement of employee retirement benefit plans on the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarter ended 30 September 2013 has not been accounted for since the actuarial valuation was carried out as at 31 December 2013. The Company believes that the financial impact is not material in the context of this condensed interim financial information.

	Note	Unaudited 30 September 2014	Audited 30 June 2014
------(Rupees '000)-----			
<b>4 TRADE AND OTHER PAYABLES</b>			
Creditors		13,446	1,534
Payable to Government of Pakistan -on account of Kunnar discount	4.1	2,085,112	2,085,112
Accrued liabilities		6,126,988	5,461,545
Royalty payable		6,112,753	5,030,253
Excise duty payable		247,113	263,989
General sales tax payable		1,714,512	1,843,507
Provincial sales tax payable		-	7,528
Payable to joint venture partners		4,986,729	4,554,969
Retention money		2,532,172	1,617,016
Trade deposits		126,710	73,478
Employees' pension trust		7,468,223	11,791,096
Workers' profit participation fund - net		2,188,414	-
Un-paid dividend	4.2	5,231,774	13,936,304
Un-claimed dividend		169,632	416,219
Payable to benevolent fund		17	15
Advances from customers		747,094	873,443
Other payables		660,685	89,559
		<u>40,411,374</u>	<u>48,045,567</u>

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

- 4.1** This represents payable to Ministry of Finance in respect of price discount on Kunnar crude sale, withheld by the Company due to related receivable from a customer and tax recoveries made by tax authorities. Also refer note 5.1.1 to the condensed interim financial information.
- 4.2** This includes an amount of Rs 5,228 million (30 June 2014: Rs 5,228 million) payable to OGDCL Employees' Empowerment Trust. The payment of dividend has been withheld pursuant to the instruction from the trustees since the GoP is considering to revamp Benazir Employees' Stock Option Scheme (BESOS) as communicated to the Company by Privatization Commission of Pakistan through Letter no 13(4)12/PC(BESOS)/OGDCL dated 30 June 2014.

**5 CONTINGENCIES AND COMMITMENTS**

**5.1 Contingencies**

- 5.1.1** During the year ended 30 June 2014, tax authorities raised demands of Rs 13,370 million by disallowing effect of price discount on sale of crude from Kunnar field. Upto 30 September 2014, the tax authorities have recovered Rs 3,532 million (30 June 2014: Rs 1,375 million) from the Company. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which is currently pending. Management is of the view that the price discount is not income of the Company and hence not liable to tax. Accordingly, management is confident that the matter will be resolved in favour of the Company as the discounted price for Kunnar field was finally determined by the Ministry of Petroleum and Natural Resources (MNPR) and major portion of price discount amount was paid to the Government of Pakistan (GoP) during the year ended 30 June 2014 upon directions from the Ministry of Finance, to this effect.
- 5.1.2** Claims against the Company not acknowledged as debts amounted to Rs 1,486.038 million at the quarter end (30 June 2014: Rs 1,486.038 million).
- 5.1.3** Certain banks have issued guarantees on behalf of the Company in ordinary course of business aggregating Rs 1.707 million (30 June 2014: Rs 1.707 million).

**5.2 Commitments**

- 5.2.1** Commitments outstanding at quarter end amounted to Rs 52,228.705 million (30 June 2014: Rs 47,553.857 million). These include amounts aggregating to Rs 29,245.220 million (30 June 2014: Rs 27,035.950 million) representing the Company's share in the minimum work commitments under Petroleum Concession Agreements.
- 5.2.2** Letters of credit issued by various banks on behalf of the Company in ordinary course of the business, outstanding at the quarter end amounted to Rs 25,493.409 million (30 June 2014: Rs 28,731.248 million).
- 5.2.3** The Company's share of associate commitments for capital expenditure based on the financial statements of associate for the year ended 30 June 2014 was Rs 1,782 million (31 March 2014: Rs 1,197 million).

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	Unaudited 30 September 2014	Audited 30 June 2014
Note	------(Rupees '000)-----	
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>		
Carrying amount at beginning of the quarter/ year	71,803,994	52,605,226
Additions/adjustments during the quarter/ year	6.1 7,112,482	25,086,393
Book value of disposals	(3,157)	(25,397)
Depreciation for the quarter/ year	(1,352,788)	(5,485,142)
Impairment charge for the quarter/ year	-	(135,668)
Revision in estimate of decommissioning cost during the quarter/ year	-	(241,418)
Carrying amount at end of the quarter/ year	<u>77,560,531</u>	<u>71,803,994</u>
<b>6.1 Additions/adjustments during the quarter/ year</b>		
Freehold land	-	364
Buildings, offices and roads on freehold land	5,040	527,424
Buildings, offices and roads on leasehold land	10,532	973,440
Plant and machinery	1,275,790	11,190,956
Rigs	(602,037)	2,950,401
Pipelines	16,481	1,425,869
Office and domestic equipment	92,807	61,249
Office and technical data computers	25,570	195,848
Furniture and fixture	3,830	12,490
Vehicles	43,519	352,682
Decommissioning cost	-	(397,025)
Capital work in progress (net)	5,215,789	6,728,832
Stores held for capital expenditure (net)	1,025,161	1,063,863
	<u>7,112,482</u>	<u>25,086,393</u>
<b>7 DEVELOPMENT AND PRODUCTION ASSETS - INTANGIBLE</b>		
Carrying amount at beginning of the quarter/ year	74,329,473	74,651,460
Additions during the quarter/ year	3,667,611	18,189,251
Transfer from exploration and evaluation assets during the quarter/ year	2,088,923	1,244,211
Amortization charge for the quarter/ year	(4,771,858)	(18,061,296)
Impairment charge for the quarter/ year	-	(585,192)
Reversal of impairment during the quarter/ year	-	583,758
Revision in estimate of decommissioning cost during the quarter/ year	-	(1,692,719)
Carrying amount at end of the quarter/ year	<u>75,314,149</u>	<u>74,329,473</u>
<b>8 EXPLORATION AND EVALUATION ASSETS</b>		
Balance at beginning of the quarter/ year	7,913,076	4,811,334
Additions during the quarter/ year	2,956,730	8,784,888
	10,869,806	13,596,222
Cost of dry and abandoned wells during the quarter/ year	(2,032,857)	(4,438,935)
Cost of wells transferred to development and production assets during the quarter/ year	(2,088,923)	(1,244,211)
	(4,121,780)	(5,683,146)
	6,748,026	7,913,076
Stores held for exploration and evaluation activities	1,923,127	1,724,712
Balance at end of the quarter/ year	<u>8,671,153</u>	<u>9,637,788</u>



**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

		Unaudited 30 September 2014	Audited 30 June 2014
Note	-----	(Rupees '000)	-----
<b>9 LONG TERM INVESTMENTS</b>			
<b>Investment in related party- associate, quoted</b>			
Mari Petroleum Company Limited (MPCL)		388,241	375,807
<b>Investments held to maturity</b>			
Term Deposit Receipts (TDRs)	9.1	5,345,000	5,345,000
Investment in Pakistan Investment Bonds	9.2	52,548,520	52,672,701
Investment in Term Finance Certificates	9.3	82,000,000	82,000,000
		<u>139,893,520</u>	<u>140,017,701</u>
		<u>140,281,761</u>	<u>140,393,508</u>

**9.1** These represent investments in local currency TDRs. Face value of these investments is Rs 5,345 million (30 June 2014: Rs 5,345 million) and carry effective interest rate of 10.75% (30 June 2014: 10.75%) per annum. These investments are due to mature within next 12 months, however, these have not been classified as current assets based on the management's intention to reinvest them in the like investments for a longer term.

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

**9.3** This represents investment in Privately Placed Term Finance Certificates (TFCs) issued by Power Holding (Private) Limited (PHPL). National Bank of Pakistan executed the transaction on 10 September 2012 as Trustee. These TFCs are secured by Sovereign Guarantee, covering the principal, markup, and/or any other amount becoming due for payment in respect of investment in TFCs. TFCs are for a period of seven (7) years including grace period of three (3) years carrying interest rate of KIBOR + 1%, payable semi-annually. The principal portion of these TFCs shall be repaid in eight (8) equal installments starting from 42nd month of date of transaction. The interest due as of 30 September 2014 is Rs. 9,215 million (30 June 2014: Rs 6,911 million) of which Rs. 8,688 million (30 June 2014: Rs 4,083 million) was past due as of the balance sheet date.

		Unaudited 30 September 2014	Audited 30 June 2014
Note	-----	(Rupees '000)	-----
<b>10 TRADE DEBTS</b>			
Un-secured, considered good		97,951,864	100,510,995
Un-secured, considered doubtful		112,782	112,782
		<u>98,064,646</u>	<u>100,623,777</u>
Provision for doubtful debts		(112,782)	(112,782)
		<u>97,951,864</u>	<u>100,510,995</u>

**10.1** Trade debts include overdue amount of Rs 53,740 million (30 June 2014: Rs 53,265 million) mainly on account of Inter-Corporate Circular debt, receivable from oil refineries and gas companies. Since the Government of Pakistan (GoP) is pursuing for satisfactory settlement of Inter-Corporate Circular debt issue, the Company considers this amount to be fully recoverable.

**11 LOANS AND ADVANCES**

This includes an amount of Rs 3,180 million (30 June 2014: Rs 3,180 million) paid under protest to Federal Board of Revenue (FBR) on account of sales tax demand raised in respect of capacity invoices from Uch Gas Field for the period from July 2004 to March 2011. Based on Sales Tax General Order (STGO) 1 of 2000 dated 24 January 2000, the matter was argued before various appellate forums, however, the Supreme Court of Pakistan finally decided the issue against the Company on 15 April 2013. Further, the FBR granted time relaxation to the Company for issuance of debit note for an amount of Rs 750 million for the period April 2011 to May 2012. Uch Power Limited (UPL) challenged the grant of time relaxation to the Company by FBR before Islamabad High Court. On 27 December 2013, the Honourable Court decided the matter in favour of the Company. In light of the Islamabad High Court decision, the Company has applied to FBR for obtaining condonation of time limit for issuing debit notes to UPL for the remaining amount of Rs 3,180 million for the period from July 2004 to March 2011 and currently the matter is pending with FBR.

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

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	<b>Unaudited 30 September 2014</b>	<b>Audited 30 June 2014</b>
<b>Note</b>	----- <b>(Rupees '000)</b> -----	
<b>12 INCOME TAX - ADVANCE</b>		
Income tax-advance/ (provision for taxation) at beginning of the quarter/ year	14,319,141	(2,238,065)
Income tax paid during the quarter/ year	14,502,408	53,272,836
Income tax recovered by tax authorities during the quarter/ year	2,157,590	1,374,654
Provision for current taxation for the quarter/year- Profit and loss account	(12,781,408)	(52,258,517)
Tax credit related to rereasurement loss on employee retirement benefit plans for the quarter/ year - other comprehensive income	537,454	13,204,249
Provision for taxation - prior years	(1,099,378)	963,984
Income tax - advance at end of the quarter/ year	12.1 <u>17,635,807</u>	<u>14,319,141</u>

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

	<b>Unaudited 30 September 2014</b>	<b>Audited 30 June 2014</b>
<b>Note</b>	----- <b>(Rupees '000)</b> -----	
<b>13 OTHER FINANCIAL ASSETS</b>		
Investments:		
At fair value through profit or loss - NIT units	266,061	275,551
Investment in Term Deposits	13.1 <u>44,697,214</u>	<u>37,261,746</u>
	<u>44,963,275</u>	<u>37,537,297</u>

**13.1** This represents foreign currency TDRs amounting to USD 338.964 million (30 June 2014: USD 319.401 million), carrying interest rate ranging from 3.30% to 4.75% (30 June 2014: 3.25% to 3.95%) per annum, having maturities between one month to six months. These also include local currency TDRs amounting to Rs 9,750 million (30 June 2014: Rs 5,587 million), carrying interest rate of 9.40% to 10.05% (30 June 2014: 9.85% to 9.90%) per annum having maturities up to three months.

	<b>Unaudited Quarter ended 30 September 2014</b>	<b>Unreviewed &amp; Unaudited Quarter ended 30 September 2013</b>
<b>Note</b>	----- <b>(Rupees '000)</b> -----	
<b>14 SALES - net</b>		
<b>Gross sales</b>		
Crude oil	31,992,135	31,719,721
Gas	36,942,164	35,430,625
Liquefied petroleum gas	1,716,764	1,209,956
Sulphur	262,969	252,362
Other operating revenue	18,971	12,674
	<u>70,933,003</u>	<u>68,625,338</u>
<b>Government levies</b>		
Excise duty	(878,673)	(904,822)
General sales tax	(5,658,358)	(5,304,091)
	<u>(6,537,031)</u>	<u>(6,208,913)</u>
	<u>64,395,972</u>	<u>62,416,425</u>

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

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

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

	Unaudited Quarter ended 30 September 2014	Unreviewed & Unaudited Quarter ended 30 September 2013
	------(Rupees '000)-----	
<b>15 OTHER INCOME</b>		
Interest income	4,529,190	4,427,093
Dividend income from NIT units	18,615	17,026
Un-realized (loss) on investments at fair value through profit or loss	(9,489)	(8,627)
Exchange gain - net	1,583,018	2,364,505
Others	159,025	625,045
	<u>6,280,359</u>	<u>7,425,042</u>
<b>16 TAXATION</b>		
Current		
- for the quarter	12,781,408	12,265,509
- for prior period	1,099,378	-
	13,880,786	12,265,509
Deferred		
- for the quarter	88,286	197,549
- for prior period	(699,272)	-
	(610,986)	197,549
	<u>13,269,800</u>	<u>12,463,058</u>
<b>17 EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit for the quarter (Rupees '000)	28,310,074	33,588,495
Average number of shares outstanding during the quarter ('000)	4,300,928	4,300,928
Earnings per share - basic (Rupees)	6.58	7.81
There is no dilutive effect on the earnings per share of the Company.		

**18 RELATED PARTIES TRANSACTIONS**

Government of Pakistan owns 74.97% (30 June 2014: 74.97%) shares of the Company. Therefore, all entities owned and controlled by the Government of Pakistan are related parties of the Company. Other related parties comprise associated company, major shareholders, directors, companies with common directorship, key management personnel and employees pension trust. The Company in normal course of business pays for electricity, gas and telephone to entities controlled by Government of Pakistan which are not material, hence not disclosed in this condensed interim financial information. Transactions of the Company with related parties and balances outstanding at the quarter end are as follows:

	Unaudited Quarter ended 30 September 2014	Unreviewed & Unaudited Quarter ended 30 September 2013
	------(Rupees '000)-----	
<b>Associated company</b>		
Share of profit in associate - net of taxation	30,809	21,758
<b>Major shareholders</b>		
<b>Government of Pakistan</b>		
Dividend paid	7,255,217	8,867,488
Payable as at 30 September	2,085,112	-
<b>Related parties by virtue of common directorship and GoP holdings</b>		
<b>Government Holdings (Private) Limited (GHPL)</b>		
GHPL share (various fields)	13,222	25,999
Receivable as at 30 September	670,979	652,256
<b>Power Holding (Private) Limited (PHPL)</b>		
Markup earned	2,304,357	2,153,275
Receivable as at 30 September	91,214,958	91,474,235
<b>State Bank of Pakistan</b>		
Interest earned on Pakistan Investment Bonds (PIBs)	1,471,713	1,183,769
Receivable as at 30 September	51,956,469	51,956,469

**OIL AND GAS DEVELOPMENT COMPANY LIMITED**  
**SELECTED NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION [UNAUDITED]**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

<b>RELATED PARTIES TRANSACTIONS - Continued</b>	<b>Unaudited</b>	<b>Unreviewed</b>
	<b>Quarter ended 30 September</b>	<b>&amp; Unaudited</b>
	<b>2014</b>	<b>Quarter ended 30 September</b>
	<b>2013</b>	
	<b>----- (Rupees '000) -----</b>	
<b>Pak Arab Refinery Company Limited</b>		
Sale of crude oil	2,808,150	998,418
Trade debts as at 30 September	2,519,101	-
Advance as at 30 September	-	5,896,082
<b>Sui Northern Gas Pipelines Limited</b>		
Sale of natural gas	14,053,398	15,198,357
Purchase of high BTU value gas	1,203,952	621,269
Trade debts as at 30 September	11,851,822	12,063,189
Payable as at 30 September	1,098	1,098
<b>Sui Southern Gas Company Limited</b>		
Sale of natural gas	15,023,851	15,465,427
Pipeline rental charges	9,165	18,864
Trade debts as at 30 September	56,217,125	43,622,709
<b>Pakistan State Oil Company Limited</b>		
Purchase of petroleum, oil and lubricants	1,037,540	1,100,969
Trade debts as at 30 September	1,867	1,867
Payable as at 30 September	2,900	-
<b>National Insurance Company Limited</b>		
Insurance premium paid	166,104	85,521
<b>National Logistic Cell</b>		
Crude transportation charges paid	457,809	320,851
Payable as at 30 September	414,792	463,065
<b>Enar Petrotech Services Limited</b>		
Consultancy services	800	26,990
Sale of crude oil	3,143,547	3,671,080
Trade debts as at 30 September	1,715,057	2,055,890
Payable as at 30 September	5,147	5,147
<b>Other related parties</b>		
Contribution to staff benefit funds	6,018,406	2,838,462
Remuneration including benefits and perquisites of key management personnel	190,255	142,857

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

**19 RISK MANAGEMENT**

Financial risk management objectives and policies are consistent with that disclosed in the annual audited financial statements for the year ended 30 June 2014.

**20 NON ADJUSTING EVENT AFTER BALANCE SHEET DATE**

**20.1** The members approved final cash dividend relating to the year ended 30 June 2014 at the rate of Rs 3 per share amounting to Rs 12,903 million in its annual general meeting held on 24 October 2014.

**20.2** The Board of Directors approved interim cash dividend at the rate of Rs \_\_\_\_\_ per share amounting to Rs \_\_\_\_\_ in its meeting held on 29 October 2014.

**21 DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue on 29 October 2014 by the Board of Directors of the Company.

**22 GENERAL**

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

Chief Executive

Director